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FOI/PA# 1471077-000

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DELETED PAGE INFORMATION SHEET
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FD-36 (Rev. 5-22-64)

FBI

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4/5/68

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Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIRMAIL
(Priority)

Mr. Tolson _____
Mr. DeLoach _____
Mr. Mohr _____
Mr. Bishop _____
Mr. Casper _____
Mr. Callahan _____
Mr. Conrad _____
Mr. Felt _____
Mr. Gale _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

TO: DIRECTOR, FBI

FROM: SAC, MIAMI

(92-1941)

POLITICAL CONDITIONS - BAHAMAS

ReButel 4/4/68.

Enclosed herewith are 5 copies of LHM
containing current data relative to political conditions
in the Bahamas and the forthcoming national election
which will be held 4/10/68.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE.

ENCLOSURE

3 - Bureau (Enc. 5)
1 - Miami
FJS/neb
(4)

1cc to [redacted] State/
by routing slip for
info dated 4-4-68
AHS/bum
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CLASS. BY

REASON-FORM II, 1-2.4.2

DATE OF REVIEW

DATE

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REC-14

DATE

8/16/82

10 APR 10 1968

COPIES TO AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP (S) OF
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Approved: [signature]

Special Agent in Charge

Sent

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Per

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Re: **POLITICAL CONDITIONS - BAHAMAS** *ISLANDS* ~~SECRET~~

On April 3, 1968, [redacted]

[redacted] Crime, Bahamas Police Force, advised there have been isolated reports of violence in the current election campaign. He said that rumors had been spreading in Nassau that calls were being made in Miami, Florida, urging tourists not to go to Nassau, during the period immediately preceding and following the national election, which is to be held April 10, 1968. No reports have been received by the FBI at Miami, Florida, relative to rumors which reportedly call for tourists to remain away from Nassau during this election period.

PROPERTY OF FBI - This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Re: [POLITICAL CONDITIONS - BAHAMAS]

~~CONFIDENTIAL~~

It was reported that the new constitution would "strip the governor of his authority over police and internal security and hand the department over to the Bahamas Government." It was also reported that the proposed constitution would "require the British Government to consult the Bahamas on all actions affecting the islands' foreign affairs and defense. The proposal asked for greater freedom of movement for the local government in dealing with other nations and in planning defense."

In an article which appeared in the Miami News on February 26, 1968, Premier PINDLING was quoted as stating that "my government does not seek independence." The article stated that members of PINDLING's cabinet "are clamoring for self-rule within five years." In an article which appeared in the Miami Herald on March 14, 1968, it was reported that Premier PINDLING on March 13, 1968, again announced in a radio speech that his party would not seek independence for the Bahamas from Great Britain.

In an article which appeared in the Miami News February 23, 1968, captioned, "Bahamas Crisis Perils Pindling's Rule," comment was reported relative to the election to be held April 10, 1968. It was reported that the announcement made by the PLP relative to the new constitution for the Bahamas and the move to become independent was "most disastrous." It was said that the proposed changes were generally opposed by the people and served to alienate the population. It was reported that the white-dominated island of Abaco signed a petition to secede from the Bahamas should complete independence from Britain be attained. The article mentioned that in the interim following the changeover in government and control by the PLP, "a certain subtle air of arrogance suddenly enveloped the formerly gentle Bahamian hotel worker and custom officer." It was reported that Premier PINDLING initiated a courtesy program to protect tourism in his country.

In the Miami Herald March 18, 1968, there appeared comments from members of the UBP relative to the current

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Re: [POLITICAL CONDITIONS - BAHAMAS] (X)

~~CONFIDENTIAL~~

political campaign being waged between the PLP and the UBP in the Bahamas. The article stated that "the UBP reflects the idea that it is an embattled white minority being swept away by a tide of black nationalism."

[redacted] UBP party chairman, is quoted as saying that the problems in the Bahamas are uniquely Bahamian and could be handled from within. He reportedly stated, "If it would be left to us in the Bahamas, it would be worked out. Too many outsiders are interfering." The article continued, "Asked to name them" (the outsiders), "he suggested United States Black Power radical [redacted] and former United States Representative [redacted] who lives on the Bahamian island of Bimini." The article stated that [redacted] was not sure whether or not [redacted] had been to the Bahamas and did not specify any activities by [redacted]

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[redacted] UBP campaign coordinator, reportedly suggested two areas wherein "outsiders" are interfering in Bahamian matters. He cited "the press" and "persons who wish personal benefit under a development program."

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In an article in the Miami Herald, April 3, 1968, former Bahamian Premier Sir ROLAND SYMONETTE, in commenting on the forthcoming election, was quoted as follows: "If the PLP wins heavily, we are headed toward a one-party racist dictatorship and possible independence."

In an article in the Miami Herald March 20, 1968, there appeared the following comments relative to statements made by PAUL ADDERLEY, leader of the National Democratic Party. It was reported that ADDERLEY predicted an easy victory for the PLP, and with this victory, the end of the UBP as major opposition in Bahamas politics. He said, "This election will break roughly along racial lines." An estimated 85% of the Bahamian population is Negro. ADDERLEY was reported as having stated that following the election, he plans to put together a multi-racial party. The new party would oppose independence for the Bahamas, and would attempt to take moderate views on racial matters.

~~CONFIDENTIAL~~



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

~~CONFIDENTIAL~~

In Reply, Please Refer to
File No.

Miami, Florida
April 5, 1968

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CLASS. BY 1/6/82

REASON-FCIM, II, 1-2.4.2

DATE OF REVIEW 08/16/82

Re: POLITICAL CONDITIONS -
BAHAMAS ~~(X)~~

Comp # 212,592

Bahamas Islands

On January 10, 1967, a national election was held in the Bahamas. This election resulted in a victory for the Progressive Labor Party (PLP) headed by LYNDEN OSCAR PINDLING over the United Bahamian Party (UBP) headed by Sir STAFFORD SANDS. The Bahamas Observer, Nassau, Bahamas, issue of January 14, 1967, in reviewing the results of the election, reported that the UBP and the PLP each won eighteen seats in the House of Assembly. Two seats were won by the Labour Party headed by RANDOL FAWKES and the Independent Party, headed by A. R. BRAYNEN. The Labour Party supported the PLP, giving that party control of the House of Assembly. The Bahamian Government, following British policy, acknowledged the PLP as the majority party, and gave that party the right to convene. LYNDEN O. PINDLING was named Premier by the Governor of the Bahamas. *Islands (X)*

In the Miami News, Miami, Florida, February 23, 1968, it was reported that a member of the PLP, URIAH MCPHEE, died. With his death, the House of Assembly was composed of the following representation: UBP, 18; PLP, 17; Labour, 1; Independent, 1. It was reported that Premier PINDLING had called for a national election on April 10, 1968, in order to solidify the position of the PLP.

The Miami Herald, Miami, Florida, daily newspaper, on January 12, 1968, reported that Premier PINDLING on January 11, 1968, announced plans for a constitutional revision. It was reported that a five-man committee headed by the Premier would propose that a constitutional conference be held in March, 1968, to settle the future of the Bahamas.

APR 10 1968

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DATE 8/16/82 BY

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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: October 20, 1966

FROM : J. H. Gale

SUBJECT: GAMBLING ACTIVITIES, BAHAMAS

Tolson _____
DeLoach _____
Mohr _____
Wick _____
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Callahan _____
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Holmes _____
Gandy _____

A detailed article appeared in the October 19, 1966, issue of "The Wall Street Journal" setting forth background information on the economic development and current control of Grand Bahama Island by Wallace Groves, who "has carved out a prospering little kingdom." Pertinent information from this article is summarized below.

Groves, aged 65, American born, was a successful Wall Street financier until he was convicted on February 21, 1941, for Mail Fraud and Conspiracy and sentenced to two years' imprisonment and fined \$22,000. He purchased and began operating a lumber mill on Grand Bahama Island in the late 1940s. In 1955, he entered into an agreement with the Bahamian Government to develop the Freeport area of Grand Bahama Island commercially in return for complete freedom to administer the planning and development of the 50,000 acres awarded to him at a purchase price of \$2.80 per acre. He was later given another 100,000 acres at substantially the same price.

Through his controlling company, Grand Bahama Port Authority, Limited, Groves has sole authority to issue licenses required to operate any type of business, to impose licensing fees and can "exclude" (deport) persons from Freeport without assigning any reason. The Government granted tax concessions enabling Groves to assure residents and firms no taxes will be levied on corporate income, salaries, capital gains or property before 1990 and no customs' duties imposed on imported business goods until 2054.

The economic growth of Freeport shows that more than \$200,000,000 have been invested here and more than 200,000 tourists will visit the island this year. Principal investors who have backed Groves were Charles Allen, general partner of Allen and Company, a New York investment firm and British industrialist, Charles W. Hayward. United States Steel Corporation has built a \$40,000,000 cement factory; Gulf Oil Corporation contributed funds to build an off-shore fuel station to supply the

Enc.

56 NOV 4 1966
1 - Mr. DeLoach
1 - Mr. Wick
1 - Mr. Gale

1 - Mr. McAndrews
1 - Mr. Ware

ARW:tjm (6)

CONTINUED - OVER

Memorandum to Mr. DeLoach
Re: Gambling Activities, Bahamas

major North-South Atlantic shipping lane; Daniel K. Ludwig, millionaire New York ship owner, built a 30-foot deep harbor.

As industry was slow to come in, Groves turned more to tourism. Since 1964, six luxury hotels have been opened, partially subsidized by the Monte Carlo Casino, which opened in the Lucayan Beach Hotel in January, 1964. (Our sources have advised that Meyer ~~Lansky~~ and his hoodlum associates were able to gain control of this casino through Canadian financier Louis Chesler who entered into an agreement with Groves to form a land sales organization and to raise funds to build the first luxury hotel, Lucayan Beach. A second casino, El Casino, is scheduled to open on January 1, 1967.)

Most important to Groves' operations has been the support of the "Bay Street Boys," the merchant politicians who dominate the Bahamian Government. One of the most influential of this group is Sir Stafford Sands, the minister of Finance and Tourism. He has handled Groves' legal affairs from the beginning.

The local population is not completely satisfied with all of this development which has shown a rise in the cost of prime land from Groves' original price of \$2.80 per acre to \$40,000 to \$50,000 per acre. The members of the local population assert that there has been a very meager distribution of wealth, a police-state atmosphere exists and an influx of unsavory characters, prostitution and dope peddling has occurred.

ACTION:

For information. You will be kept advised of significant developments. Attached is article from "The Wall Street Journal."

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 Tele. Room _____
 Holmes _____
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Kingdom in the Sun Tough-Willed American Turns a Bahamas Island Into Thriving Enterprise

Wallace Groves Lures Firms And Tourists to Freeport, Enforces Rigid Controls

A Clash With Louis Chesler

By STANLEY PENN and MONROE W. KARMIN
 Staff Reporters of THE WALL STREET JOURNAL

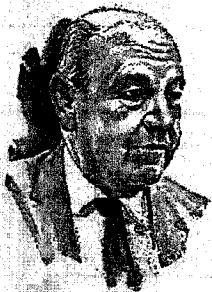
FREEPORT, Grand Bahama Island—The sand is white, the sea emerald and the sun dazzling. Starting with these assets, a modest financial investment and the wholehearted cooperation of the Bahamian government, a mild-looking, balding American named Wallace Groves has carved out a prospering little kingdom on this island 80 miles east of Palm Beach, Fla.

Mr. Groves, who lives in a \$1 million palace of blue-green tile, obtained his domain as a result of a 1955 agreement with officials of the British colonial government in Nassau, located 120 miles south of Grand Bahama on New Providence Island.

The agreement gave the 65-year-old Mr. Groves sweeping powers over Freeport, as he

has named the half of Grand Bahama that falls within his purview. He alone can issue the licenses that are required for anyone wishing to do business here. He has wide power to remove persons who incur his displeasure. The agreement also contained broad, long-lasting assurances that Mr. Groves and other Freeport residents would be free of Bahamian taxes. At the same time, it empowered Mr. Groves to impose licensing fees of his own—ranging up to 10% of gross sales in some instances—on firms operating here.

In return, Mr. Groves, whose past is marred by a mail fraud conviction in the U.S., promised to develop Freeport intensively. He has delivered on his promise.

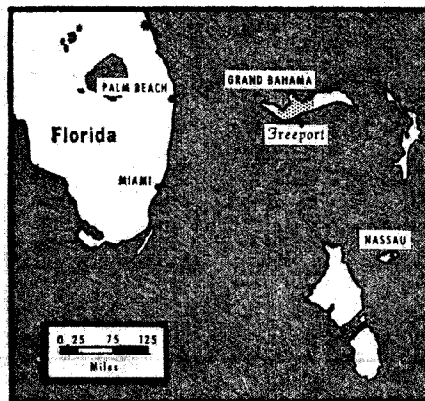


Flashy Hotels

Americans and others have invested more than \$200 million in the area so far. Largely desolate a decade ago, Grand Bahama now boasts flashy hotels and a gambling casino. Lavish vacation and retirement homes are springing up. More than 200,000 tourists, mostly Americans, will visit the island this year, up from 26,000 as recently as 1963.

Other types of business development also proceed apace. One of the biggest ship-fueling facilities off the U.S. East Coast has been constructed here. U.S. Steel Corp. has built a \$40 million cement factory that has a yearly capacity of 4.8 million barrels of cement, with most of the output going to the U.S. Active participants in the development of Grand Bahama—and beneficiaries of the profits the development is producing—are the "Bay Street Boys," the merchant-politicians who dominate the government in Nassau and whose cooperation enabled Mr. Groves to create his island kingdom.

But not every aspect of the transformation of Grand Bahama draws unqualified praise.



Some of Freeport's 8,500 full-time residents (in 1960 there were only 250) complain that living costs are high, despite the absence of income taxes; it's suggested that the rigid controls on competition keep prices up. Strict rules on job changes—no employee may switch firms without a release from his employer—are irksome. Some residents also say that the tight restrictions on development tend to limit the island's diversity, particularly in leisure-time activities.

"After a while you get a feeling of being imprisoned here," says English-born David Miller, a Freeport resident. "We call it 'rock fever.'"

The Washington Post and Times Herald _____
 The Washington Daily News _____
 The Washington Evening Star _____
 New York Daily News _____
 New York Herald Tribune _____
 New York Post _____
 The New York Times _____
 New York World Journal _____
 New York World _____
 Journal Tribune _____
 The Baltimore Sun _____
 The Worker _____
 The New Leader _____
 The Wall Street Journal P. 1416
 The National Observer _____
 People's World _____
 Date 10-19-66

ENCLOSURE

memo Dab 10/20/66 P.W. Tjm

100-1-42

zation and launched a promotional campaign in the U.S. and Canada to build interest in vacation and retirement homes in Freeport. As Grand Bahama Development's \$85 million of land sales indicate, the Chesler promotion was effective.

But on the hotel project Mr. Chesler ran into trouble. The \$12 million was raised and the hotel built. Costs ran far over the budget, however, and the rooms ended up costing twice as much as the estimates. Overstaffed and poorly managed, the Lucayan Beach quickly sank into the red after opening in January 1964.

A Bank Takes Over

Companies linked to the now bankrupt Atlantic Acceptance Corp. of Toronto fed working capital to the hotel. As collateral, the companies received a minority stock interest in the hotel. The upshot is that Montreal Trust Co., thanks to its role as receiver for the insolvent Atlantic Acceptance and to its acquisition of another interest in the Lucayan Beach from a Canadian group, now controls the hotel.

But Mr. Chesler was already out as president of Grand Bahama Development by the time Montreal Trust took over the Lucayan Beach. He "resigned" in May 1964. The circumstances are cloudy, but it seems evident that the strong personalities of Messrs. Groves and Chesler collided—and that Mr. Chesler was the one to yield.

The two men are very different. One source who knows both says Mr. Groves is a "quiet, secretive man," while the 53-year-old Mr. Chesler is an outgoing, outspoken type. A man who once worked for Grand Bahama Development claims Mr. Chesler was a poor administrator. "He couldn't stand to sit behind a desk and make day-to-day decisions," says this source. "Groves hates inefficiency. So he made it clear to Lou he'd have to go."

Mr. Chesler himself says: "Groves and I didn't see eye to eye. There was a lot of emotion built up. It got to the point that I wanted out." Mr. Chesler is presently selling his Grand Bahama Development stock. At one point he held over 10% of the shares personally. The bulk of the shares are being offered in Europe by a Nassau brokerage firm.

—though Mr. Chesler may have had enough of Grand Bahama, many less prominent persons who have tasted life on the island have found it to their liking. A variety of reasons have drawn them here.

No Waiting at the Tee

"A lot of the early ones were running away from something—wives, husbands, tax collectors and the cops," comments a local restaurant manager. Freeport's tax advantages attracted others. "I used to own a business in Florida, but I got fed up," says a middle-aged businessman as he watches gamblers roll dice in the Monte Carlo casino. "Taxes, regulations—I'd had it. Here they let you alone. You keep what you make. It's nice and relaxed." Another businessman resident, an avid golfer, delights in being able to tee off without a wait; despite the small population, there are three golf courses.

For the less affluent, however, Grand Bahama is something less than idyllic. With no tax funds, some social services are lacking. Freeport has no public bus transportation for residents, although the Negro workers who live outside the enclave are brought into Freeport by bus. The Freeport residents use private cars or taxis. Most white residents send their children to private schools and must pay tuition.

But the most dissatisfied islanders are found among the 12,000 who live outside Freeport, most of whom are Negroes. They are housed in shabby settlements along the coast. In the past, some sold land to the Port Authority to supplement the acreage the Authority obtained from the government, and complaints are heard now that the purchase prices were far too low.

The Negroes, many of whom are employed by Freeport hotels, also grumble that they get no benefit from the casino. Maurice Moore, a Negro who lives in a settlement outside Freeport called Pinder's Point, is a candidate of the minority Progressive Liberal Party for the House of Assembly in Nassau. One of his campaign planks is that some of the casino profits should trickle down to help the Negroes.

"Unless we get a greater share of the wealth, it could all go up in smoke—not just a riot but insurrection," he warns dramatically.

Rico Heller, formerly manager of the Pub on the main, a popular Freeport restaurant, was recently deported to Switzerland. Back in Switzerland, Mr. Heller wrote a letter to the Freeport News, a weekly newspaper that is occasionally critical of Mr. Groves' regime. In his letter, Mr. Heller said he had been fired from his restaurant job for failing to produce enough profit. Following his dismissal, he was told at 2 a.m. that he had to pack and leave Freeport by 6 a.m.

"Within the Port Authority," charged Mr. Heller, "there are some little men of power whose favorite expression seems to be, 'I'll have you shipped off the island,' and who create a rather unpleasant and police-state-like atmosphere."

Employer's View

The company that owns the Pub on the Mall said Mr. Heller's employment had depended on his good behavior. But certain evidence came to the company's attention last April, and after a full investigation, Mr. Heller was dismissed from his job, the company said. He was then deported.

The Authority's deportation power worries a recent arrival from Canada. "I want to build up a business here," he says. "But what if one of the Bay Street Boys wants me out of Freeport? He might get his friends in the Port Authority to have me declared an undesirable, and I'd be deported."

Impact of Gambling

But there are matters for more serious concern. Gambling may lure free-spending tourists, but it also attracts some unsavory characters. "It's drawing many types of people with criminal intent," says a Bahamian civil servant here. Three key employees of the Monte Carlo gambling casino in the Lucayan Beach Hotel—Frank Ritter, Max Courtney and Charlie Brud—are wanted by U.S. authorities in New York to stand trial on charges of tax evasion and illegal bookmaking; just last week, after a Wall Street Journal story described the trio's background, the casino announced that the trio was resigning as of next Jan. 15 because of "unfortunate publicity." Prostitution and dope-peddling, unheard of in Freeport a few years ago, have popped up, according to a local newspaper editor.

Freeport comprises 211 square miles of the 430 square miles that make up Grand Bahama Island. Wallace Groves' basic vehicle for controlling Freeport is a multi-faceted company called Grand Bahama Port Authority, Ltd.

Island publicists describe Mr. Groves' company as a "modern day version of Hudson's Bay Co. It may well be true that the powers vested in the Port Authority are among the most sweeping given to a company since England's King Charles II awarded Hudson's Bay

Please Turn to Page 16, Column 1

Kingdom in the Sun: A Tough-Willed American Transforms Barren Island

Continued From Page One

jurisdiction over a big stretch of Canada in 1670.

Before launching his Bahamian enterprise, Wallace Groves was a highly successful Wall Street financier. But this career ended abruptly in 1941, when he was convicted of using the mails to sell stock at an artificially inflated price. He served a two-year prison term for the crime.

The Hawksbill Creek Act

Late in the 1940s, Mr. Groves turned up on Grand Bahama. Initially, he bought and operated a lumber mill on the island. Then, in 1955, he reached the agreement with the Bahamian government whereby his Grand Bahama Port Authority would receive a wide range of concessions in return for building a port and bringing in industrial and commercial enterprises. The agreement, called the Hawksbill Creek Act after a creek running through the Freeport area, also awarded the Port Authority 50,000 acres of government land for \$2.80 an acre. The land allocation was later expanded to almost 150,000 acres.

Besides his licensing powers, Mr. Groves received the sole right to plan, lay out and develop his half of Grand Bahama. He also got the right to import labor from outside the Bahamas.

The tax concessions enabled Mr. Groves to bill Freeport as a tax-free haven for businesses. Until 1980, residents and firms are assured of no taxes on corporate income, salaries, capital gains or property. They also are assured of no customs duties on imported business goods till the year 2054. Except for customs levies, residents of the rest of the Bahamas are free of taxes, too, but they lack Freeport's guarantees for the future.

Wallace Groves himself has been the chief beneficiary of the development of Grand Bahama. Through his Port Authority company and its affiliated firms, he owns Freeport's utilities, its only supermarket, its jet airport (nonstop flights from New York three times a week starting next month) and Freeport Bunkering Co., the big ship-fueling outfit.

Bahamas Amusement, Ltd., another Groves-controlled firm, holds an exclusive gambling license for Freeport, granted by the government in 1963; the government at that time exempted Bahamas Amusement from the law that prohibits gambling in the islands. Besides the highly profitable Monte Carlo casino in the Lucayan Beach Hotel, Bahamas Amusement is opening a second casino—called simply El Casino—next New Year's Day. El Casino, a Moorish-style affair with gold-capped white towers, will be triple the size of the Monte Carlo room.

A Port Authority affiliate, Grand Bahama Development Co., was assigned 100,000 acres of land in Freeport and given the job of selling sites for homes, hotels, apartment buildings, golf courses and marinas. So far Grand Bahama Development has taken in more than \$35 million, with some of the prime land for which Mr. Groves originally paid \$2.80 an acre going for \$40,000 to \$50,000 an acre. Grand Bahama Development also built the Lucayan Beach—which charges a minimum of \$40 a day per person without meals in season—though the Groves affiliate no longer owns the hotel.

Bahamian Officials' Role

The role of the Bay Street Boys in all this development has been substantial. Particularly important in Mr. Groves' operations has been Sir Stafford Sands, the Minister of Finance and Tourism. The most influential figure in the Bahamas, Sir Stafford has handled Mr. Groves' legal affairs since the founder of Freeport came to Grand Bahama.

The Bay Street Boys' activities in Freeport are varied. They control many of the local retail shops. Some of them have received consulting fees from Grand Bahama Development. Next year an elaborate new tourist attraction called the International Bazaar is opening in Freeport, and the Bay Street Boys are expected to operate many restaurants, night clubs and shops in it. The Bazaar, spread over a 20-acre tract, and featuring imports from all over the world, will be owned by a Port Authority affiliate.

So far the Bay Street Boys haven't forced any firm out. The president of one diversified company in Freeport took no chance of alienating Nassau. He sold a substantial interest in his business to a prominent Bay Street merchant. "We decided to get in bed with him," the executive explains.

Over 600 individuals and firms are licensed to do business in Freeport, including, among others, dry cleaners, plumbers, contractors, auto repair men, hair dressers and a soda bottler. One of the major firms to win a license recently was Syntex Corp., the drug producer, which plans to build a plant here. Only two firms have folded, according to a Port Authority official. The Authority's policy has been to protect infant businesses. "While there's no guarantee of monopoly, we want to create an atmosphere of profit," he says.

The Authority also seeks to keep tight control of Freeport's rate of growth. "If we had laissez-faire here, we'd have chaos," asserts another islander.

Those who know Wallace Groves say his mild appearance is deceptive. "When you talk to him, you get the impression he's a nice old man who knows nothing," says a resident. "But it could be very uncomfortable for somebody to cross him."

Chesler's Role

The experience of Louis Chesler, the controversial Canadian promoter, shows it doesn't pay to get on the wrong side of Mr. Groves. Mr. Chesler entered into a business venture with Mr. Groves in Freeport five years ago. The two men clashed, and Mr. Chesler, who is known as a forceful character, is no longer on Grand Bahama.

Mr. Chesler has a reputation as a super salesman in the real estate field. A founder of General Development Corp., the Miami Beach land development firm, he pioneered in selling land on the installment plan.

It was Mr. Chesler's real estate experience, coupled with his demonstrated talent for raising funds from investors, that led Mr. Groves to bring him to Freeport in 1961 when Grand Bahama Development was being formed. Mr. Chesler had two assignments. He was to form a syndicate that would raise \$12 million for Grand Bahama Development to use to build the Lucayan Beach Hotel. And he was to form a sales organization to sell Freeport land. In return for these services, the Chesler syndicate received nearly 50% of the stock in Grand Bahama Development and Mr. Chesler became president of the company.

Mr. Chesler set up the land sales organi-

Though Mr. Groves has always retained iron control over Freeport's development, right at the start he obtained extensive financial assistance from British and American interests. These backers have seen the value of their investments multiply many times over.

One of the principal investors was Charles W. Hayward, a British industrialist, who put up funds in return for a 25% stock interest in the Port Authority company. Another key backer was a group headed by Charles Allen, general partner of Allen & Co., a leading New York investment house; the Allen group purchased another 25% of the Port Authority. The 50% interest Mr. Groves still holds is ample to give him effective control of the company.

Digging a Harbor

Mr. Groves also got some help from Daniel K. Ludwig, a New Yorker who is a millionaire shipowner. In exchange for 2,000 acres of land in Freeport and the right to build a shipyard (the right was never exercised), Mr. Ludwig dug a 30-foot harbor. This permitted Mr. Groves to fulfill his pledge to the island government to build a port. Mr. Ludwig promptly sold part of his real estate holdings to U.S. Steel for \$1 million as the site for its cement factory. On another parcel of Freeport land Mr. Ludwig later obtained, he is now building a golf course and a luxury home development with houses priced up to \$90,000.

Gulf Oil Corp. also lent a hand. It contributed funds for Freeport Bunkering's offshore fueling station. Gulf supplies the fuel for the station, which services ships that ply the major north-south Atlantic shipping lane off the Bahamas.

By 1960, both the port and bunkering station were in operation, but industry was still slow in coming in. So Mr. Groves' interests began to turn more to tourism. He decided to build a luxury hotel and gambling casino as a magnet to attract visitors. The tourism buildup apparently appealed to Bahamian officials: In 1960, when Mr. Groves promised to put up a 250-room hotel in Freeport, as well as to improve port facilities, the government sold Mr. Groves nearly 100,000 more acres of crown land, the great bulk of it at the old bargain price of \$280 an acre.

The Lucayan Beach Hotel, which, along with the Monte Carlo casino, opened in January 1964, touched off a hotel-building spree. Freeport now has six luxury hotels with over 1,800 hotel rooms. Grand Bahama boosters are predicting that before many years Freeport will have more hotels than Nassau, the traditional center of Bahamas tourism.

Subsidies From Gambling

Profits from the Monte Carlo casino are helping to spur hotel construction. Some \$1.5

million a year of casino earnings are parceled out as subsidies to three hotels—the Lucayan Beach; the King's Inn, built by shipowner Ludwig; and the 614-room Holiday Inn, Grand Bahama's biggest hotel. These subsidies will continue through 1973.

"We wouldn't have come in without the subsidy," concedes Kemmons Wilson, chairman of Holiday Inns of America, Inc., the Memphis-based motel chain.

Despite Freeport's financial success, Wallace Groves remains deeply bitter over his imprisonment in the U.S. in the 1940s, according to a former aide. "He's never forgotten what he feels was deliberate persecution," says this man. "He believes the SEC used him as an example to the rest of the financial community."

But the ex-associate adds that Mr. Groves unquestionably has come to relish his role on Grand Bahama. "When Groves first came to Grand Bahama, he was strictly interested in making money—and nothing else," says the onetime aide. "But now, with the way Freeport is evolving, Groves sees himself in a different light. He looks on himself as an emperor of a commercial-industrial-resort complex."

Residents say Mr. Groves takes a paternalistic attitude towards the community he has created. He shows up for Boy Scout jamborees and ground-breaking ceremonies, and his Bahama Amusement, Ltd., operator of the gambling casino, recently promised to finance a new Catholic high school.

An Inaccessible Monarch

As befits a monarch, Mr. Groves lives in elegant style in his blue-green palace (the tiles for it were imported from Hong Kong) with his second wife, Georgette, and his five adopted children. All the children's names start with "G"—Gayle, Gene, Gordon, Graham and Gary. Like a monarch, he is inaccessible. Efforts to interview him for this story were unsuccessful; aides said he was vacationing on his private island, Little Whale Cay, south of Grand Bahama, and could not be disturbed.

But Mr. Groves' monarchical style has its shortcomings. "When he does something wrong, there's nobody to tell him," says an American who once worked for him. "People are afraid to criticize him to his face. He's too insulated."

Some residents complain that Mr. Groves' Port Authority acts in mysterious and arbitrary ways. Though the Bahamian government has broad deportation powers and retains control of police, customs and courts, the Hawksbill Creek Act gives the Port Authority the power to "exclude" persons from Freeport—"without assigning any reason"—and locally this power is equated with the right to deport. If an employer is dissatisfied with a non-Bahamian employee, it's a simple matter to have the Authority send him packing. A waitress, glancing over her shoulder to make sure she isn't being overheard, tells a visitor: "They deport a lot of people around here. Wham—and you're out."

RA
Mr. Fred M. Vinson, Jr.
Assistant Attorney General

August 17, 1966

Director, FBI

REC-59

162-1-202-42
SIR STAFFORD SANDS
VICE PREMIER, BAHAMAS

ST-117

Reference is made to your memorandum of August 10, 1966, (FMV:RDP:mar 123-66), advising of information received to the effect that the Special Agent in Charge of the Miami Division of this Bureau had indicated a desire to meet the United States Consul General for the Bahamas in Miami in order to be more adequately briefed on Bahamas problems. You indicated that the State Department had requested to be advised whether the Consul General should honor this request.

The Special Agent in Charge of the Miami Division of the FBI has advised that he made no such request of the U.S. Consul General at Nassau. It is felt that no purpose would be served by such a visit.

1 - Mr. Gale (Sent Direct)

1 - Personnel File of SAC F. A. Frohbose

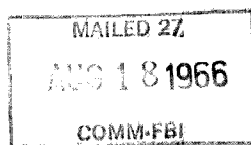
JIC:mfl
(6)

Based on memo Adams to Callahan 8-17-66 JIC:mfl.

Aug 17 4 32 PM '66
REC'D-READING ROOM
FBI

Handwritten signatures and initials:
Jva
Hm
K...

Tolson _____
DeLoach _____
Mohr _____
Bishop _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____



57 AUG 29 1966

MAIL ROOM ☐ TELETYPE UNIT ☐

F B I

Date: August 15, 1966

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL

(Priority)

Mr. Tolson	_____
Mr. DeLoach	_____
Mr. Mohr	_____
Mr. Wick	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. Felt	_____
Mr. Gale	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Miss Holmes	_____
Miss Gandy	_____

TO: DIRECTOR, FBI

FROM: SAC, MIAMI (67-235A)

SIR STAFFORD SANDS
VICE PREMIER, BAHAMAS

ReBuairtel 8/11/66.

By airtel dated 7/25/66, the Bureau was advised I was proceeding to the Bahamas at the request of Commissioner NIGEL MORRIS, who was desirous of discussing matters of mutual interest regarding the Bureau with me. He made this request in view of the fact he was leaving for London the following week and was desirous of holding these discussions with himself and members of his staff prior to his departure.

I proceeded to Nassau 7/29/66 and was met at the airport by Commissioner MORRIS and STANLEY MOIR, one of his staff members. I spent the entire day with Commissioner MORRIS discussing matters of mutual interest, in particular the skimming operation in Las Vegas. He advised me that upon his return from London the latter part of October, 1966, he intends to go to Las Vegas to view the operation of the various casinos.

On Saturday, I met with members of his staff at Headquarters and also briefed GEORGE T. LAVELL, who is Commissioner MORRIS' first deputy and who will be Acting Commissioner in the absence of Commissioner MORRIS.

3 - Bureau (AM)
1 - Miami
FAF:mjs
(4)

REC-59

162-1-202-42

ST-117
memo to Callahan
8/17/66 vic:mjfl

AUG 16 1966

Approved: _____
Special Agent in Charge

Sent _____ M

Re: _____

FBI REC UNIT

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Director, Federal Bureau of Investigation DATE:

August 10, 1966

FROM: Fred M. Vinson, Jr., Assistant Attorney General, Criminal Division

FMV:RDP:mar
123-66

SUBJECT: Sir Stafford Sands, Vice Premier, Bahamas.

Information has been received from the U.S. Consul General, Nassau, Bahamas, that on July 30, 1966 he was introduced to Mr. Frederick Frohbost, FBI Special Agent in Charge, Miami office, at the home of Sir Stafford Sands, in Nassau, Bahamas.

Mr. Frohbost allegedly informed the Consul General that he and Mrs. Frohbost had been in Nassau for the past three days on a combination business-pleasure trip and indicated a desire to meet the Consul General in Miami to be more adequately briefed on Bahamas problems.

The State Department has requested to be advised as to whether the Consul General should honor Mr. Frohbost's request in light of the extended negotiations that have been carried on by this Division and the Bahamas Government, through the Consul General, in order to gain passage of necessary legislation by the Bahamas Government to control banking and insurance frauds. The records of this Division contain information indicating that Sir Stafford Sands is a highly corrupt politician in the pay of the gambling interests in the Bahamas.

Your advice as to the above is requested.

35 AUG 11 1966

REC-59

162-1-202-43

AUG 12 1966

FILES

REC-59

162-1-202-43

August 11, 1966

Airtel

PERS. REC. UNIT

To: SAC, Miami

PERSONAL

From: Director, FBI

SIR STAFFORD SANDS
VICE PREMIER, BAHAMAS

Enclosed is a copy of a memorandum from the Criminal Division of the Department of Justice requesting Bureau advice concerning an alleged request you made on 7-30-66 of the U.S. Consul General at Nassau to meet the Consul General in Miami in order to be more adequately briefed on Bahamas' problems. This request was allegedly made in the home of Sir Stafford Sands who is described by the Department as a highly corrupt politician in the pay of the gambling interests in the Bahamas. It is also indicated that you advised the Consul General that you and your wife were in Nassau on a combination business and pleasure trip.

Full details of this matter should be immediately furnished the Bureau together with your recommendation as to the Bureau's reply to the Department.

Enclosure

MAILED 4

AUG 11 1966

COMM-FBI

Dec that my get prompt answer. From fact is using a personal judgment in associating with Sands.

NOTE: The Special Investigative Division has advised that we have for some time known that New York and Miami gambling interests have been attempting to establish themselves in gambling casino activities in the Bahamas. Much of this has been fostered by the desire of Sir Stafford Sands to develop the islands economically to his own best interests. In view of the influx of American gamblers, we have maintained a liaison relationship with the Chief of Police in Nassau who has been very cooperative. We disseminated extensive information on gambling activities and personalities to the Bahama police authorities with the result that many American hoodlums have been barred from employment in the Bahama legal gambling casinos.

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

7-30-66 was a Saturday. Bureau leave records do not indicate that he was on annual leave for the three days preceding 7-30-66 although he took two hours annual leave on 7-28-66.

1 - Mr. Gale

MAIL ROOM ☐

TELETYPE UNIT ☐

Handwritten signatures and initials: JAM, npe, jma, L. Kasper

MM 67-235A

Previous to this, Commissioner MORRIS had informed me he had accepted an invitation for me to attend a gathering at Sir STAFFORD SANDS' home on Saturday night. I felt at the time it would be embarrassing to Commissioner MORRIS and the Bureau if I declined this invitation in view of the fact Sir STAFFORD SANDS is Vice Premier. My wife joined me and on Saturday night we went to the home of Sir STAFFORD SANDS where I met him for the first time. The gathering consisted mostly of government officials stationed in Nassau. I would say the gathering lasted two and one-half hours and I had one brief conversation with Sir STAFFORD SANDS in the presence of Commissioner MORRIS. Commissioner MORRIS was praising and thanking the Bureau for their help in keeping the gambling casinos in Nassau free of the hoodlum element. Sir STAFFORD SANDS agreed this was a necessity and he was happy with the work of Commissioner MORRIS and pleased the Bureau was assisting Commissioner MORRIS. I left the home of Sir STAFFORD SANDS and that is the last I have seen of him.

When I arrived at the home of Sir STAFFORD SANDS, the U. S. Consul General, TURNER B. SHELTON, was in attendance. Having met him before in the FBI Office in Miami, I said hello to him, met his wife and talked to him briefly. Prior to his going to the Bahamas, he stopped in the Miami Office and talked to me and the Agents covering the Bahamas. In general, the conversation dealt with the casinos and the cooperation we enjoy with the police in the Bahamas. I informed the Consul General at that time the Bureau was willing to assist in any matters of mutual interest.

At the meeting at Sir STAFFORD SANDS' house, I merely passed social pleasantries with SHELTON and I at no time asked him to come to the Miami Office to brief me. In general I stated if he was ever in Miami and wanted to stop by the office I would be glad to see him. I did not feel then nor do I feel now he could brief me on the Bahamas in view of the fact he has only been there a short time. I at no time asked him or invited him to come to Miami to see me.

In connection with Sir STAFFORD SANDS, I reiterate I have met him on only one occasion and that is mentioned above. I feel that SHELTON has been a lot closer to SANDS and has met him more often than I have.

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1471077-000

Total Deleted Page(s) = 2
Page 1 ~ b3; b7E;
Page 2 ~ b3; b7E;

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1471077-000

Total Deleted Page(s) = 4

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Page 3 ~ b3; b7E;

Page 4 ~ b3; b7E;

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X For this Page X

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December 12, 1967

Airtel

To: SAC, Miami (92-1242)
REC 27
From: Director, FBI (162-1-202) — 197

GAMBLING ACTIVITIES - BAHAMAS
AR

Re Miami teletype, December 11, 1967.

Approval is granted to continue to furnish to the Bahamas Police Force, on a ~~confidential~~ basis, public source type information on United States citizens applying for employment in gambling casinos in the Bahamas, provided it is clearly understood that any information disseminated by your office [redacted]

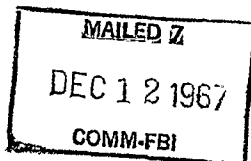
b7E

Submit appropriate blind memoranda to the [redacted] for approval of the information to be disseminated on casino applicants. Any pending requests should be handled promptly in view of the proposed opening date this month of the new Paradise Island Casino.

Keep the Bureau fully advised of all pertinent developments in this matter.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/21/85 BY [redacted]

b6
b7C



Tolson _____
DeLoach _____
Mohr _____
Bishop _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

ARW:jny
(4)

79 DEC 18 1967

MAIL ROOM ☐ TELETYPE UNIT ☐

SPECIAL INVESTIGATIVE DIVISION

December 12, 1967

With respect to present procedures of Bahama authorities in ridding Bahama casinos of hoodlum influence, [] advises Governor relies on advice of police commissioner as to whether license should be granted and this decision not subject to review by casino management. Police commissioner Moir with [] approval has been provided public source information concerning applicants for lead purposes. He advises []

b7E

[] points out instances where current Bahamas administration has denied licenses to individuals attempting to front for criminal organization in campaign to rid Bahamas of gangster influence. This is contrary to previous administration of the Bahamas which has now been removed.

Special Investigative Division recommends continuation of present practice of providing public source type information for utilization by Bahamas Commissioner of Police in conjunction with their granting authority for license or employment in Bahamas casino.

AAS:msm

*OK if Bahamas authorities
don't involve us as they
have in the past - J*

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED #211216
DATE 2/21/85 BY []

b6
b7C

ENCLOSURE

162-1-202, 177

PAGE TWO MM 92-1242

RECOMMENDED BY THE COMMISSIONER, IT IS THE PREROGATIVE OF THE GOVERNOR TO REJECT THIS INDIVIDUAL AND HIS DECISION IS NOT SUBJECT TO REVIEW BY THE CASINO MANAGEMENT.

[REDACTED] IN DENYING APPLICATIONS FOR CASINO LICENSE SUBMITTED BY HOODLUM ASSOCIATE, MICHAEL J. MC LANEY, AND MIAMI BEACH HOTELMEN, BEN NOVACK, AND MORRIS LANSBURGH, WHO REPORTEDLY ATTEMPTED TO FRONT FOR MEYER LANSKY ORGANIZATION. UNDER PREVIOUS BAHAMAS ADMINISTRATION, SIR STAFFORD SANDS, CABINET MEMBER, PREVAILED UPON PREMIER SYMONETTE AND THE GOVERNOR TO RETAIN CASINO MANAGERS, MAX COURTNEY AND FRANK REED, IDENTIFIED IN MEYER LANSKY ORGANIZATION. SANDS IS NO LONGER IN GOVERNMENT. NEW ADMINISTRATION CAMPAIGNED TO RID BAHAMAS OF SANDS AND GANGSTER INFLUENCE IN CASINOS. COURTNEY AND REED WERE IMMEDIATELY KICKED OUT OF CASINOS. CURRENT GOVERNMENT IS BELIEVED TO BE MAKING SINCERE EFFORT TO FIGHT GANGSTERISM. CONTINUED COOPERATION WILL ASSURE THAT HOODLUMS WILL NOT FIND RESTING PLACE IN BAHAMAS AND WILL DENY THEM SOURCE OF REVENUE FROM CASINOS THERE.

END

DKG

FBI WASH DC

CC: MR. GALE

ORIGINAL DOCUMENT SENT TO
NATIONAL ARCHIVES (JFKARCA)
DATE 5/3/95 GJG HSCA Subject
Michael McLaney

b7E

VIA TELETYPE
DEC 11 1967
ENCIPHERED

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

NR---5--- 4/45PM EST RGC

DEFERRED 12-11-67

TO DIRECTOR 162-1-202

FROM MIAMI 92-1242

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED #211326
DATE 2/21/85 BY [redacted]

GAMBLING ACTIVITIES - BAHAMAS; AR. *Anti-racketeering*

[redacted]
[redacted]
[redacted]

IS ASSURED BY

STANLEY R. MOIR, ASSISTANT COMMISSIONER, BAHAMAS POLICE
FORCE, THAT THE [redacted]

[redacted] UNDER CURRENT PROCEDURE CASINO MANAGEMENT
MUST SUBMIT BACKGROUND DATA TO THE GOVERNOR OF THE BAHAMAS
IN ADVANCE OF EMPLOYMENT OR THE ISSUANCE OF A GAMBLING
LICENSE. THE GOVERNOR RELIES ENTIRELY ON THE ADVICE OF THE
COMMISSIONER OF POLICE, WHO IS ANSWERABLE ONLY TO THE
GOVERNOR. WHEN A DECISION TO REJECT AN APPLICANT IS

END PAGE ONE

XEROX

DEC 1967

MR. DELOACH FOR THE DIRECTOR

Copies made
of Tel only 3/17/98 & SC/PAJ
for review at FBIHQ by
HSEA re Michael McInerney
request 12/22/77

ORIGINAL DOCUMENT SENT TO
NATIONAL ARCHIVES (JFKARCA)
DATE 7/3/85 BY HSA Subject
Michael McLavie

b6
b7C
b7E

b7E

MM 92-515

[redacted]
[redacted] usually come to
Miami together.

b7D

This source also reported that "card cheating"
is organized at Miami Beach and that the head of one group
is [redacted] who is presently stopping
at [redacted] Miami Beach.

b7D

[redacted] advised that the new
Bahamian Constitution went into effect in the Bahama Islands
on 1/1/64. He related the United Bahamian Party controls 21
of the 33 seats in the House of Assembly and the minority
party, which is now the Progressive Liberal Party, has nine
seats. Three seats are held by Independents. He related the
Progressive Liberal Party is represented mostly by colored
voters. Sir ROLAND SYMONETTE is Premier and SYMONETTE
recently appointed STAFFORD L. SANDS in his cabinet as
Minister of Finance and Tourism. This source reported SANDS
is [redacted]

b7D

[redacted] advised that ~~BERNIE FRANK~~, Miami Beach
City Councilman and a friend of the gambling element, had
a birthday party thrown for him at the Fontainebleau Hotel.
He stated he also learned that if [redacted]

b7D

FBI

Date: 1/7/64

Transmit the following in _____
(Type in plain text or code)Via AIRTEL AIR MAIL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI (62-9-29)

FROM: SAC, MIAMI (92-515)

SUBJECT: CRIMINAL INTELLIGENCE PROGRAM
MIAMI DIVISIONWEEKLY SUMMARY

[redacted] advised that [redacted]

7-3
#

[redacted] have been interested in acquiring a half interest in the lease of the Yacht and Tennis Club, Dade Co., Fla. He was told [redacted] are not interested in the restaurant and lounge at the Yacht and Tennis Club but are interested in using the second floor of the club for gambling. This source also reported that [redacted]

[redacted]

are also interested in the Yacht and Tennis Club for the same purpose.

[redacted] reported that [redacted] has become part of [redacted] and since [redacted] and his associates will only receive bets of [redacted] takes care of the bets he receives [redacted] having telephone number [redacted]

[redacted] advised that [redacted]

3 - Bureau (AM)
2 - Miami
RFF:mgw
(5)

REC-9

10 JAN 9 1964

Sent _____

M Per _____

Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MM 92-515

blamed his trouble on Sir STAFFORD SANDS. He also related that [] has not been requested to leave the Islands and is at present in charge of the Bahamian Club and Casino at Nassau, Bahama Islands.

[] reported that word is being circulated that WILLIAM DARA (MM 92-1631) is heavily in debt; that he owes a nice sum to [] (MM 92-1631) and that the [] are "becoming nervous" because [] has been ignoring payments on his shylock loan. He also advised that []

He also advised that [] (MM 166-103) are employed at Caesar's Palace Hotel & Gambling Casino in Las Vegas, Nevada (MM 92-1746).

[] related that [] (MM 92-1853) has a financial interest in the Prestige Boat Manufacturing Co. at Hallandale, Fla.

[] reported that []

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

F B I

Date: 12/23/66

Transmit the following in _____
(Type in plaintext or code)Via A I R T E L _____
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, MIAMI (92-515) (P)

CRIMINAL INTELLIGENCE PROGRAM
MIAMI DIVISIONWEEKLY SUMMARY

[redacted] advised that [redacted]
[redacted] has started another firm called the Home
Entertainment Center in Miami and still operates [redacted]
[redacted]

He also advised that [redacted]
recently sold eight lots in Coral Gables, Fla., to the Ideal
Builders, headed by [redacted] alleged
local builders.

[redacted] reported that Sir STAFFORD
SANDS at Freeport, Grand Bahama Islands is considering
[redacted] for the job of managing the casinos at Freeport
(MM 92-1241). [redacted] reportedly is part of the North Florida
group, which consists of [redacted] and others. [redacted]
is allegedly now connected [redacted]
[redacted]

He also heard that [redacted], who
was requested to leave the Bahama Islands several years ago

3 - Bureau
1 - Miami
RFF/gtj
(4)

C. D. [redacted]

REC-69

62-9-29-1014

EX-110

DEC 28 1966

Approve

57 JAN 9 1967

Special Agent in Charge

Sent

M

Per

b7D

b7D

b7D

FBI

~~CONFIDENTIAL~~

Date: 5/9/72

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Priority)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE.

TO: Acting
Director, FBI (92-2831)
FROM: Legat, Tel Aviv (166-1) (P)
SUBJECT: MEYER LANSKY,
aka - FUGITIVE
AR

*ch 6-1, encl 11
10- encl 6*

ENCLOSURES:

3/12/84
Classified by
Declassify on: OADR 235, 255

Enclosed are seven copies of letterhead memorandum, dated
and captioned as above.

REFERENCE:

Bureau airtel, 4/12/72, with enclosure consisting of Depart-
mental memorandum dated 4/10/72; and Tel Aviv letter, 3/31/72.

ADMINISTRATIVE:

Information received from the Miami Office reveals an allega-
tion that

and no information has been developed by this office to substantiate
this allegation.

- 5-Bureau (Enc. 7)
- (1 - Foreign Liaison Desk)
- (2 - Miami, 92-102)

1-Tel Aviv
HR:ela
(6)

ENCLOSURE

REC-38

SI-106

6 MAY 15 1972

ALL
ADV
SLIP(S)
DATE

3/22/89

ENCLOSURE
NOTE

~~CONFIDENTIAL~~

Approved: *[Signature]*
53 MAY 24 1972
Special Agent in Charge

Sent _____ M Per *WVA: 91815*

~~CONFIDENTIAL~~

RE: MEYER LANSKY

"The men from the Ministry replied that they had had no knowledge or forewarning on [redacted] until it was too late. (The South African press had carried his story - together with speculation that he had fled to Israel - three weeks before [redacted] applied for his permit, but the Israeli Consulates had apparently not relayed the information to the Ministry.) 'We do not have a detective agency,' Dr. Burg stressed. 'If neither the police, nor Interpol, nor our legations abroad give us any information - then we have no reason not to grant a man's request.'

"Dr. Burg said he expected the current High Court case of Lansky v. the Interior Ministry would lead to new legislation defining the terms 'criminal past' and 'to the Minister's satisfaction' in the Law of Return..."

The remainder of the article deals with controversial points regarding the Israeli Law of Return, as well as some comments by Interior Minister Burg on responsibilities of his office.

On April 26, 1972, a confidential source abroad, who has furnished reliable information in the past, advised that subject is currently residing at Be'eri Street Number 4, Tel Aviv, Israel, telephone [redacted] resides. ~~CS~~

The above source further advised that [redacted]
[redacted] ~~CS~~

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

~~CONFIDENTIAL~~

Federal Bureau of Investigation
Records Branch

5/10, 1972

☐ Name Searching Unit - Room 6527
☐ Service Unit - Room 6524
☐ Forward to File Review
☐ Attention _____
☐ Return to _____
Supervisor Room Ext.

Type of References Requested:

☐ Regular Request (Analytical Search)
☒ All References (Subversive & Nonsubversive)
☐ Subversive References Only
☐ Nonsubversive References Only
☐ Main _____ References Only

Type of Search Requested:

☐ Restricted to Locality of _____
☐ Exact Name Only (On the Nose)
☐ Buildup ☐ Variations

Subject

Birthdate & Place

Address

Localities

R# _____ Date 5/10 Searcher Initials 023

Prod. _____

FILE NUMBER

SERIAL

per subject Richard J. J. I-I
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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Washington, D. C.
May 9, 1972

MEYER LANSKY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE.

The November 15, 1971, edition of the "Jerusalem Post,"
an English-language daily newspaper published in Jerusalem, Israel,
contained the following:

"High Court Orders Stay of Lansky Expulsion"

"The High Court of Justice yesterday ordered the Minister
of the Interior, Dr. Yosef Burg, to refrain from issuing an expulsion
order against Meyer Lansky until such time as his petition for a writ
against the Minister is finally decided.

"This interim order, as well as an order nisi calling on
 to show cause, within thirty days, why he should not grant
Meyer Lansky an immigrant's visa under the Law of Return, was issued
by Supreme Court Justice Moshe Etzioni.

"The petition for the order nisi which was submitted by
 states that when the 70-year-old Meyer Lansky
arrived in Israel last July (1970) on a visitor's visa he announced
his intention of applying for an immigrant's visa for the purpose of
settling permanently in Israel. was informed in December,
however, that the Minister of the Interior was weighing up the question
of whether to grant Lansky an immigrant's visa or not in the light
of the fact that section 2 of the Law of Return empowers the Minister
to refuse an immigrant's visa to an applicant who 'is a person with a
criminal past, likely to endanger public welfare.'

"At the end of December the Minister of the Interior informed
Lansky that he had decided not to grant him an immigrant's visa or
renew his visitor's visa. This decision of the Minister was based
on a study of almost 1,000 documents, photostatic copies of which were
attached to the petition to the High Court. These documents, which
were given to by Mrs. Huebner of the Ministry of the Interior

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Group 1
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and Declassification

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97-2831-1402

ENCLOSURE

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for a period of 48 hours only, include reports of a U. S. Senate Committee on an investigation into organized crime in America, in which the name of Meyer Lansky is mentioned, and of the U. S. Immigration Department's attempts to cancel Lansky's American citizenship because of several prison sentences which had been imposed upon him at various times, as well as cuttings from the American press, including the Readers' Digest and Life, in which Lansky is associated with the American underworld.

[] contends in his petition that he and his client were shown these documents only after the Minister had already reached his decision not to grant Lansky an immigrant's visa and that in failing to inform Lansky of the details of the charges against him and to give him an opportunity to defend himself, the Minister had violated the rules of natural justice.

"As to the value of the documents, [] alleged in his petition that an appreciable number of them have no connection whatsoever with Lansky, and that the rest are a 'collection of rumours, vilification and gossip from an undisclosed source.' The petition alleges furthermore that the documents provide no legal proof, or any evidence whatsoever, to justify defining Lansky as 'a person with a criminal past, likely to endanger public welfare.'"

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"In the petition Lansky denies all connection with the American underworld of organized crime and alleges that the charges brought against him in the U. S., when he was already in Israel, are completely unfounded, were framed with the intention of persecuting him and were irrelevant to his application for an immigrant's visa. As an example of the hostile atmosphere which had been created around Lansky, the petition mentions the fact that the U. S. authorities had invalidated his American passport several weeks ago, 'alleging that this was done with the intention of compelling him to return to the U. S. in the event that his Israel visa were not extended, as without a passport he would be unable to enter any other country.'"

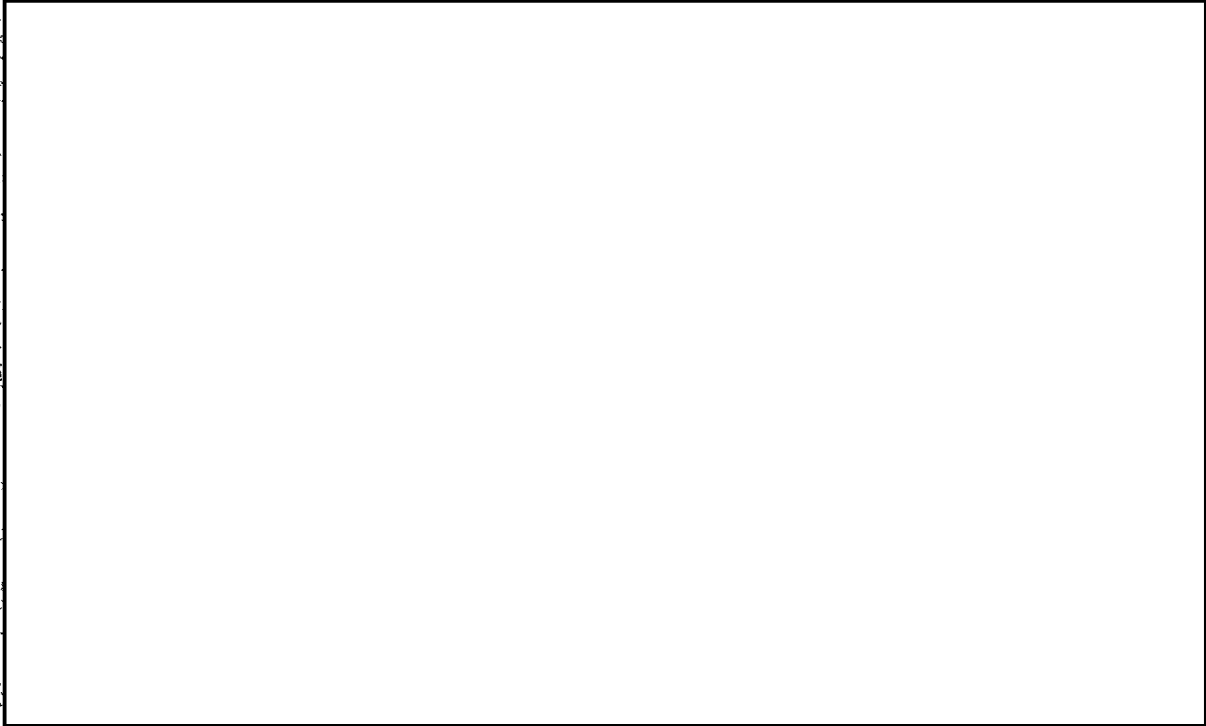
"In conclusion [] submits in his petition that [] handling of his client's application reveals an absence of good faith, an abuse of his powers, reliance on invalid considerations and an erroneous interpretation of the law."

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RE: MEYER LANSKY



The January 13, 1972, edition of the "Jerusalem Post," contained an article as follows:

"Lansky May Go Wherever He's Welcome

"The Minister of Interior is prepared to issue Meyer Lansky with a laissez passer enabling him to enter any country willing to accept him. This was disclosed yesterday in the Ministry of Interior's reply to a High Court order nisi calling on the Minister to justify his refusal to grant Lansky an immigrant visa.

"The reply, submitted by [redacted] denied an allegation by Lansky that the Minister was indirectly seeking his extradition to the U. S. It revealed that the Minister had informed Lansky of the laissez passer offer last September, and that the offer still held good. Mr. Lansky's U. S. passport was invalidated because of charges pending against him in the U. S.

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"The Minister, Dr. Yosef Burg, concluded that because of the special nature of Lansky's criminal record, he was liable to endanger public welfare if allowed to remain in the country. The reply said the Law of Return was not intended to turn Israel into a refuge for persons with a criminal past."

An unclassified communication from the United States Embassy, Tel Aviv, to the United States Department of State, dated January 15, 1972, commented on the above article, and included the following:

A representative of the United States Embassy contacted an unidentified individual in the Israeli Ministry of Interior to ascertain subject's current status in Israel. The official in the Ministry of the Interior stated only that the Minister of the Interior had replied to the High Court, justifying his decision to deny subject's request for immigrant status. Any further developments with regard to this status would depend on the reaction of the High Court to the Minister of the Interior's reply.

The January 13, 1972, edition of the "Jerusalem Post," contains an article captioned "Interior Minister Tells High Court, Lansky is Big-Time Mobster," which is as follows:

"The Minister of the Interior studied the report of a thorough investigation of documents and publications concerned with the activities of Meyer Lansky, as well as offering Lansky the opportunity of seeing and commenting upon the material, before he finally decided to reject Lansky's application for an immigrant visa. However, after studying the material, Lansky decided to petition the High Court of Justice instead of taking advantage of the proposed meeting.

"This was revealed in the reply submitted yesterday by the Minister Dr. Josef Burg, to the order nisi handed down two months ago, on November 14, by the High Court of Justice, calling on him to show cause why he should not grant Lansky immigrant status.

"In his petition to the High Court of Justice, Lansky claimed that he was being denied immigrant status because of a campaign of besmirchment against him in which he was falsely accused of being a leader of organized crime in the U. S., whereas he had merely run a few gambling clubs and had retired from such activities as early as 1950. He also alleged that refusal to grant him permission to stay in Israel was an indirect and devious way of extraditing him to America, since his American passport was valid for a return journey to that country only.

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"The Minister's reply to the High Court's order nisi, which was signed by Mrs. Yehudit Huebner, the Deputy Director-General of the Ministry of the Interior, in charge of immigration and registration, confirmed that since December, 1970, when Lansky had first applied for immigrant status, the Minister had been weighing up the possibility of rejecting his application on the grounds, laid down in section 2 (b) of the Law of the Return, 1950, that 'he was a person with a criminal past, likely to endanger public welfare.' He had not acted immediately upon impulse but had withheld his decision pending a thorough investigation of the information he had received concerning Lansky's connections with the world of organized crime.

"The Minister said in his statement that he had only reached his final conclusion to reject Lansky's application for an immigrant visa, after he had studied a report of the investigation carried out by [] the State Attorney, in Washington, at the request of Mr. Shapiro, the Minister of Justice, as well as minutes of a three-hour meeting between [] Lansky and his lawyer, in which Lansky had been given the opportunity to state his case fully.

"After being informed of the Minister's decision, Lansky asked for a meeting with him and an opportunity to study the documents and material which [] had brought from a 10-day visit to the U. S. Justice Department. He was given copies of the documents and his attention was drawn to a number of books, dealing with organized crime in general and his activities in particular. He and his lawyer were informed that they would be given an opportunity of commenting on the material, after they had had time to study it. However, after studying the material, Lansky had decided to petition the High Court instead of taking advantage of this opportunity.

"State Attorney's Study

"The statement gave a summary of the information collected by []

"This information was divided under several headings. The first related to publications on organized crime in America, in each of which a 'place of honour' was given to Lansky, classing him with the 'big names' in the American underworld. Amongst quotations from these publications is the following from 'Theft of the Nation,' a book by [] a member of the President's Commission on

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Law Enforcement and Administration of Justice, which was published in 1969: 'The career of Maier Suchowljansky (Meyer Lansky) - a poor Russian immigrant who began his work in organized crime as an executioner and boasts because his enterprise is 'bigger than United States Steel' - is not likely to be frequently duplicated in the future. For that matter, even now there are few businessmen, criminal or non-criminal, who possess the untrained organizational genius which enabled Suchowljansky to become the world's most successful money mover and corrupter... Specifically, toleration of Lansky probably rests on Casa Nostra's need for expert knowledge about gambling, especially casino gambling...'

"Criminal Convictions

"The second heading deals with Lansky's criminal convictions. These appear to be remarkably mild for a man with such a notorious reputation, including only two convictions for disorderly conduct in 1918 and 1920, a fine of \$100 for contravening the Prohibition laws in 1931, a fine of \$1,000 for illicit gambling activities in his Florida Green Acres Club in 1950, and a three months' prison sentence for contraventions of the New York gambling laws in 1953.

"The insignificance of Lansky's criminal convictions is ascribed in the reply to the fact that local sheriffs and other law enforcement officers were in Lansky's pay or otherwise indebted to him, but that they were forced, in 1950 and again in 1953, to bring at least minor charges against Lansky in view of the notorious publicity he was receiving in the press and other publications. Furthermore, the statement notes that it has always been difficult to bring gangsters and mobsters to justice in America because of the virtual impossibility of getting witnesses to testify against them and the non-cooperation of the law-enforcement officers.

"Under the heading of 'Charges Pending' against Lansky two committals to trial are included - by the Grand Jury of Florida on March 25, 1971 and by the Grand Jury of Nevada, on October 22, 1971 - on charges connected with illicit gambling activities; and a committal to trial by the Florida Grand Jury - on March 24, 1971 - on a charge of criminal contempt, in that Lansky refused to appear before it after being lawfully subpoenaed.

"It was in consequence of these indictments, that the validity of Lansky's U. S. passport was cancelled.

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"Kefauver Report

"Amongst the most damning allegations against Lansky are those contained in the Kefauver Report, the findings of a special committee, headed by Senator Kefauver, appointed by the U. S. Senate to investigate organized crime in interstate commerce, with particular emphasis on gambling and racketeering.

"After hearing over 500 witnesses, including Lansky and top-ranking gangsters, the Committee concluded that gambling enterprises formed the hard-rock core of organized crime in U. S. cities and that the gangs operating the gambling enterprises 'are the survivors of the murderous underworld wars of the prohibition era.' In the Committee's words: 'Crime is on a syndicated basis to a substantial extent in many cities. The two major crime syndicates in this country are the [redacted] whose headquarters are Chicago; and the [redacted] Lansky syndicate based in New York...'

NY { "In his testimony before the Kefauver Committee, Lansky refused to answer questions concerning his business activities and his association with leading gangsters such as [redacted] etc., on the grounds that his replies would tend to incriminate him. [redacted] (all amongst the mobster 'elite') refused to answer questions about their association with Lansky, on the same grounds. U.S.A.

"Another witness, [redacted]

"Reports of other Investigation Committees.

"Another Senate Committee, headed by Senator McClellan, appointed 'To Investigate Improper Activities in the Labour or Management Field,' describes Lansky in its report as 'one of the country's top gangsters' and associates him with the Mafia.

"Another Senate Committee investigating organized crime in the U. S. in July, 1971, was told by [redacted] one of the very few Mafia members who consented to break his oath of silence to his organization, that: 'Gambling is the single most important activity for organized crime. Meyer Lansky is the biggest man in the casino gambling business. [redacted] is the second man. That's the way it has been for many years.'

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"A Royal Commission investigating gambling in the Bahama Islands in 1967 records the testimony of Sir Stafford Sands, the Governor of the Islands, to the effect that Lansky had approached him around 1960 and offered him a cheque for \$2,000,000 in exchange for a permit to operate gambling clubs in the Bahamas.

"Among other numerous documents which [redacted] brought back from the U. S. is the evidence of [redacted] who testified during an inquiry to decide whether to cancel Lansky's American citizenship. He said he had been associated with Lansky in several crimes, including robbery, and attempted murder.

"Another document - a report of the Bureau of Narcotics, issued in July, 1961 - describes Meyer Lansky as 'one of this nation's leading mobsters, one of the top Jewish associates in a syndicate composed of high-ranking hoodlums of Italian extraction who control the major rackets in the U.S.A. and Canada.'

"A comprehensive 50-page report on Lansky's life and activities, prepared by the Income Tax Department of the U.S.A., sums up Lansky's history as showing that 'he has been a criminal all his adult life.'

"Minister's conclusion

[redacted] reply to the High Court's order nisi states that on the basis of all this information, the Minister had come to the conclusion that Meyer Lansky had a criminal past, and that because of the special nature of this criminal past, he was likely to endanger the welfare of the Israel public if allowed to remain in the country.

"She backed up this latter conclusion on the part of the Minister with reports to the effect that notorious drug smugglers were attempting to organize a 'summit meeting' of the Crime Syndicate with Lansky in Tel Aviv. These reports came from Interpol [redacted]

[redacted]

"She stressed that from all the information available concerning the organized crime syndicates in the U.S., it was clear that the leading members of these syndicates were not in the habit of 'retiring' and severing themselves completely from their former associates and activities.

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[] then rebutted Lansky's allegations in his petition for an order nisi that the Minister of the Interior was using indirect and devious methods in order to extradite him to America, pointing out that already in September, 1971, the Minister had informed Lansky that he was prepared to give him a laissez passer which would enable him to enter any country which agreed to accept him, and that he was still willing to do so.

"In conclusion, [] strongly denied that the Minister had acted in bad faith and in violation of the principles of natural justice - as alleged by Lansky. She claimed, on the contrary, that the Minister had exercised his discretion in a proper and fitting manner in deciding to deny Lansky immigrant status or permission to continue to remain in Israel as a temporary resident, particularly since the Knesset had had no intention of turning Israel into a place of refuge for persons with criminal pasts who are a potential danger to the public welfare."

The January 24, 1972, edition of the "Jerusalem Post" contained a letter to the editor of the newspaper, captioned "Feeling of Relief" (editor's comment), as follows:

"Sir, - The tremendous relief that was experienced upon reading the news of Meyer Lansky's pending expulsion from Israel has not been duplicated since my arrival in Israel.

"One of the main reasons I left Chicago and immigrated to Israel was to escape the choking knowledge that I was living within one of the largest and most corrupt political machines in existence today, and that there was nothing in the world that I could do to dent it, because even the officers of law were given to accepting bribes.

"I came with a deep love and sincere belief in the innate integrity of Israel's ideals. But upon hearing of Lansky's acceptance by Israel, the last of that belief was almost drained, and I lived in horror of the day when Israel, too, would be overridden by the scum of the earth.

"There must be many others who came from America and can empathize with the feeling of relief from impending terror that was experienced by the fear that Meyer Lansky and others like him would be welcomed here as new immigrants, and I want to say thank you to all those responsible who were not blind.

"J. Honne. *JLL*

"Ramat Gan, January 17"

It is noted that Ramat Gan is a suburb of Tel Aviv.

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The March 24, 1972, issue of the "Jerusalem Post," contained the following article:

"State Tries to Document Lansky's 'Criminal' Past

"Even assuming for argument's sake that Meyer Lansky was once a big-time gangster, is he still one today? Is he, a man of 70 whose last conviction was in 1953, now in 1972 still 'likely to endanger the public welfare' in the words of the Law of Return?

"This was the crucial question which Justice Berenson put to State Attorney [redacted] in the High Court of Justice yesterday. [redacted] spent much of the four-hour session trying to prove that Mr. Lansky has kept up his underworld activities till the present day, and that the Minister of Interior was therefore right in refusing to grant him an immigrant's status under the Law of Return. (The Law of Return excludes persons 'with a criminal past who are likely to endanger the public welfare.')

"The Lansky hearing ended its second day before the five-Judge High Court bench with Mr. Lansky's own lawyer, [redacted] yet to present his case. The State Attorney concluded his presentation at one o'clock and the court adjourned until this morning.

"(The hearing was originally set for Wednesday and Thursday. It now goes into its third day, and [redacted] has already informed the court that one day will not suffice.)

"Lansky in Court

"Mr. Lansky himself was again in court for the entire session, sitting with his U. S. lawyer, [redacted], with a translator between them simultaneously translating the proceedings into English.

"The most recent evidence involving Mr. Lansky which [redacted] cited was the testimony in 1971 of a [redacted] before a U. S. Senate Committee on organized crime. [redacted] said inter-alia: 'Meyer Lansky is the biggest man in the casino gambling business... That's the way it has been for many years.'

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[] added that 'gambling is the single most important activity for organized crime. They control it all over the country and all over the world...'

[] - the dreaded vow of silence which had for so long proved stronger than all the police and FBI interrogators. Eight years earlier, in 1963, a Mafia man named Joseph Valachi 'sang' to the Senate Committee. (His evidence was later the basis of a best-seller, 'The Valachi Papers'.)

Member

"Valachi told the Committee that Lansky had masterminded the killing of Maranzano, who became the 'boss of bosses' after [] was deported to Sicily. Valachi said that Maranzano was killed by a group of gangsters disguised as policemen who were led by []

"Most recent evidence against Lansky came from secret tape recordings which the FBI made at a gangster's retreat in New Jersey between 1961 and 1965. One gangster is taped as saying: 'Meyer owns more in Vegas than anybody - than all of our put together (sic). He's got a piece of every joint in Vegas.'

"In 1961, the Federal Bureau of Narcotics produced a report on Lansky which said inter-alia: 'Meyer Lansky (alias "Bugs Meyer," Morris Lieberman, Meyer "The Bug," Little Meyer, George Lieberman, Meyer Lamansky, Meyer "The Lug"), Bureau of Narcotics International list No. 169, one of this nation's leading mobsters, is one of the top Jewish associates in a syndicate composed of high-ranking hoodlums of Italian extraction who control the major rackets in the U. S. and Canada.'

"Criminal Life

"Another relatively recent report which [] cited was made by the U. S. Inland Revenue in 1959. It declared: 'Lansky's history shows he has been a criminal all his adult life.'

"In the same year, 1959, the Senate appointed a 'Select Committee on Improper Activities in the Labour or Management Field.' Its task was to investigate the links between organized crime and trade unions.

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[redacted] told the court that Lansky's name came up frequently during the Committee's investigations. Its final report described him as 'one of the country's top gangsters.' Witness after witness revealed, under the questioning of Robert Kennedy, the links between organized crime and organized labour - especially with the Teamsters Union.

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"Evidence of Lansky's alleged attempts to infiltrate into gambling casinos in the Bahamas came up in a Royal Commission of Inquiry appointed in 1967. A certain Sir Stafford Sands, who later became a member of the Governor of the Bahamas' Advisory Council, testified to the Commission that in 1960 Mr. Lansky had offered him a cheque for \$2m. in return for arranging a gambling concession on the islands. (Sands apparently accepted the bribe, and his career as a lawyer was completely ruined by the investigation of the Commission.)

"In 1963 and again in 1966 Mr. Lansky appeared before New York grand juries, but refused to answer - on the ground that his answer 'might tend to incriminate him' - such questions as 'Where do you work?' 'What do you do for a living?' 'Do you have any interests in any casinos in Las Vegas?' and 'Have you ever been to Grand Bahama Island?'

"Of course, the State Attorney admitted, Mr. Lansky's reticence alone could not incriminate him, but how did it square with his claim that he has had no interests in any U. S. gambling since 1950, and none in Cuba since 1959? [redacted] said that Mr. Lansky had repeated this claim to [redacted] the senior Interior Ministry official who handled his application for immigrant's rights.

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"If the claim was true, why did he refuse to answer the grand juries' questions? the State Attorney asked. And why was he now refusing to obey a subpoena issued against him to appear before a grand jury?

"Most damaging to Mr. Lansky's contention that he has 'retired' to Israel was the evidence brought by [redacted] of an underworld 'summit' meeting which was planned for Tel Aviv last year with Mr. Lansky's participation. [redacted]

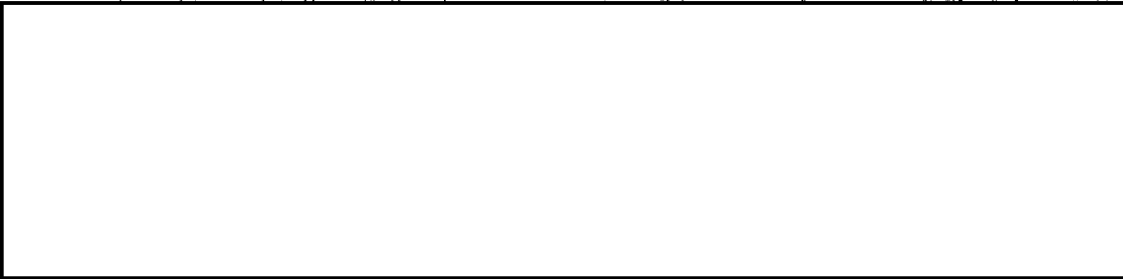
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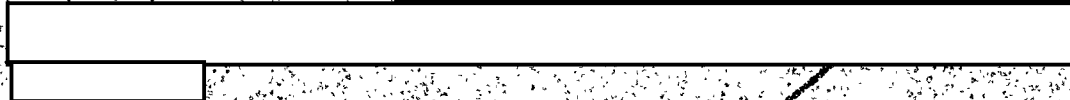
"Destination: Tel Aviv



"If only part of the hundreds of testimonies, the committee reports, the books, the articles, the 'notorious facts' - as [redacted] termed them - were true, that was sufficient grounds for the Minister of Interior's decision that he had 'a criminal past and was likely to endanger the public welfare' within the meaning of the Law of Return, [redacted] contended. The cumulative weight of all the material left the Minister with no alternative, he claimed.

"The courtroom was much fuller yesterday than on Wednesday, with a brisk traffic of sightseers who sat down for a few minutes, gazed raptly at Mr. Lansky, and left again, their noisy movements visibly annoying the bench.

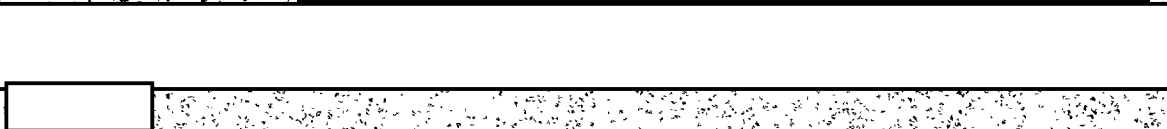
"Those who listened to the State Attorney were treated to some gruesome episodes from the history of pre-World War II gangland feuds. A detective named [redacted]



EC-1 "A sheriff from [redacted] told the Committee that he had been helped in his election campaign by Meyer Lansky's brother (and partner) Jake Lansky. Once installed as [redacted] showed his gratitude by turning a blind eye to gambling in his county, Broward County, Fla. He even ordered [redacted] in which the money from the gambling clubs was transported.

"One-time Accomplice

[redacted] also quoted from a 142-page sworn statement given to the police by a [redacted]



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"On another occasion, in [REDACTED]

[REDACTED]
[REDACTED]
"Mr. Lansky's counsel will produce a statement from [REDACTED] saying that he was [REDACTED] but [REDACTED] said that the fact that Lansky was arrested for the shooting - though subsequently released - shows that [REDACTED] did not invent the entire episode. [REDACTED] did not deal with the fact that [REDACTED] was himself a self-confessed killer, which must weaken the weight of his evidence.)

"Mr. Lansky did not suffer yesterday the pangs of hunger which he said he felt by the end of Wednesday's long session. As soon as the court rose for the mid-morning interval he made straight for the canteen and fortified himself with a sandwich. Asked by an American newsman how he felt the case was going, Mr. Lansky said he was 'not an expert' in these matters."

The April 14, 1972, edition of the "Jerusalem Post", contained an article, which, in part, is as follows:

"After Lansky: New Law Likely

"What was the difference between the cases of Meyer Lansky and [REDACTED] This was a question posed to the Minister of Interior, Dr. Yosef Burg, by members of 'The Jerusalem Post' staff at an interview this week. Why had the Interior Ministry granted Mr. Stasher an immigrant's permit and then refused the same to Mr. Lansky, when both men are allegedly connected with the U. S. underworld? (Mr. Lansky is now contesting the Ministry's refusal in a High Court action.)

"Dr. Burg said that the permit to [REDACTED] had been issued before he took office. Nevertheless, both he and his Ministry's Director-General, Mr. Haim Kubersky, who accompanied the Minister at 'The Post' editorial meeting, were eager to explain the decision-making process in the two cases.

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RE: MEYER LANSKY

Joe Stasher
[redacted] first applied for citizenship in 1964. The then Minister of Interior, the late Moshe Haim Shapiro, refused him, but said that he might live in Israel on an extended tourist visa for a probation period. Several times over the following six years, [redacted] renewed his application, and each time the reply was the same: wait and see. Quite by coincidence, according to Ministry Spokesman Yitzhak Agassi, the decision eventually came through just after Mr. Shapiro died, and there was an interregnum at the Ministry. The responsibility for deciding was that of Deputy Minister Yosef Goldschmidt, and he was guided by a 'clean bill of health' on Stasher from the police. Israel

"No pressure had been brought to bear from anyone inside or outside the National Religious Party, the Minister and his officials were at pains to stress. (Allegations of pressure have been levelled in some local newspapers.)

"Mr. Lansky had been better known than [redacted]. When he arrived in 1970 and applied for citizenship under the Law of Return, Minister Burg postponed a final decision while he took steps to gather information on Lansky. b6 b7C

"There had been no mysterious hesitations. From the very first time the Ministry extended Mr. Lansky's tourist visa, it wrote to him explicitly that the decision depended on the information to be gathered about him. (Eventually, the State Attorney was dispatched to the U. S. and returned with two suitcases full of official committee reports and police and Justice Department files, all prejudicial to Mr. Lansky. On the basis of this, the Minister decided to refuse his application.)

[redacted] said that if [redacted] was applying today for citizenship - he would be turned down out of hand, because the Ministry was now more alive to the danger of Israel's becoming a haven for undesirable elements. b6 b7C

"How had this heightened 'awareness' operated in the recent episode of [redacted] who allegedly left hundreds of investors high and dry and fled to Israel when his chain of companies got into difficulties? He applied for and received a year's temporary resident's permit from the Interior Ministry offices in Tel Aviv with no difficulty. b6 b7C

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TEL 166-1

As noted in Tel Aviv airtel, 1/18/72, this office has taken steps to insure that the outcome of the current Israeli High Court hearings regarding subject's status is promptly brought to the attention of this office upon conclusion of the hearing. In addition, pursuant to the request of the Department in referenced Departmental memorandum, 4/10/72, INP has been requested to take the necessary steps pursuant to the requests outlined in the four points of the memorandum.

SOURCE:

The confidential source abroad is [REDACTED]
[REDACTED] ~~(C)~~

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CLASSIFICATION:

The enclosed letterhead memorandum is classified "~~Confidential~~" since unauthorized disclosure could reveal the identity of the source and jeopardize his future effectiveness. Such unauthorized disclosure could be prejudicial to the defense interests of the United States.

COPIES:

One copy of the enclosed letterhead memorandum is being furnished to the Ambassador, United States Embassy, Tel Aviv.

LEAD:

TEL AVIV OFFICE

At Jerusalem, Israel:

Will maintain contact with INP for any further developments regarding subject.

SPECIAL NOTE:

The Bureau's attention is directed to subject's current residence, Be'eri Street Number 4, Tel Aviv, Israel, telephone 236356. This information appears in the enclosure. ~~(C)~~

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[REDACTED]

On October 10, 1958, [REDACTED] was in Miami to confer with the writer and was shown the above report. He stated that he had never before seen it and had not sent it from Haiti to the writer. He advised he had checked in Haiti to endeavor to determine whether [REDACTED] owns property in that country but his results had been negative. He stated that he had checked the immigration records in Haiti to determine whether [REDACTED] [REDACTED] had ever visited Haiti and said the only record under this name which he found was for an individual from Ohio who was in that country in 1951. Relative to the allegation contained in this report that silencers were used on the guns in the revolt, secured through [REDACTED]
[REDACTED]
[REDACTED]

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Regarding the individual identified as [REDACTED] in this report, it is believed that he actually had reference to one [REDACTED]

- P E N D I N G -

Mr. J. Edgar Hoover

-2-

October 23, 1958

In the event a federal investigation into this matter is authorized we shall be happy to turn over to the Bureau the following evidence presently in [] possession:

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1. Original signed statements of MILANE and []
2. Tear gas gun furnished to MILANE []
3. Album of photographs taken in the Bahamas including scenes at Light House and Pilot House clubs and pictures of some of subjects.
4. Photostats furnished by Department of Immigration, Nassau, Bahamas, of records pertaining to Miami - Nassau plane trips by subjects.
5. Passenger coupons of Pan American Airways tickets 0262-03, 38564 and 0262-03 38892 showing trips July 24 and 29, 1956, by MILANE from Miami to Nassau.
6. Original letter dated September 29, 1958, from [] Pilot House Club, Nassau, advising that MILANE, SISTRUNK, [] and ASH-BURN were guests between July 24 and 31, 1956.
7. Original letter dated October 11, 1958, from [] [] Nassau, advising that ASHBURN, OWENS, HART and MILANE were guests during June, 1956.
8. Original letter dated October 14, 1958, from the Department of Immigration, Nassau, relating data concerning trips from Miami to Nassau by the subjects.

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I am also furnishing copies of [] supplementary report directly to your Special Agent in Charge in Miami with a copy of this letter. Copies of the report are also being furnished via separate communications to Mr. James L. Guilmartin, United States Attorney, Southern District of Florida and to [] of the Internal Security Section of the Department of Justice. [] and two other Department of Justice attorneys have been conducting the local Federal Grand Jury probe into local Haitian and Cuban revolutionary activities.

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ORIGINAL DOCUMENT SENT TO
NATIONAL ARCHIVES
DATE 10/2/96 []

See Vol 2 of 4

ENCLOSURE

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Mr. J. Edgar Hoover

-2-

October 23, 1958

If you are agreeable I would like to handle this on a personal basis through Mr. Lee Teague or in any other manner you might suggest.

Your cooperation in this matter will be appreciated.

Very truly yours,



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OWC:ra

Enclosures - 2

cc: Mr. Lee O. Teague
Special Agent in Charge
Federal Bureau of Investigation
3915 Biscayne Boulevard
Miami, Florida
Enclosures - 2

ORIGINAL DOCUMENT SENT TO
NATIONAL ARCHIVES
DATE 12/9/86  *YPS*

See Vol 2 of 4

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6-7-95 BY [redacted] JFR

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REPORT #3 OF:

[redacted]
SPECIAL INVESTIGATOR
COUNTY MANAGER'S OFFICE
METROPOLITAN DADE COUNTY
MIAMI, FLORIDA

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RE: HAITIAN REVOLT
PORT AU PRINCE, HAITI
JULY 29, 1958
PARTICIPATED IN BY
METRO DEPUTIES OF
DEPARTMENT OF PUBLIC SAFETY
MIAMI, FLORIDA

PERIOD: SEPTEMBER 23, 1958 - OCTOBER 22, 1958

Pages 1 - 120 inclusive,
are in Reports #1 and [redacted]

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COPIES OF THIS REPORT TO

DATE 12/9/96 (Ses) [redacted]
204

RESULTS OF INVESTIGATION (Continued)

This supplements pages 1 through 120 previously submitted.

On September 23, 1958, [] advised that as of August 1, 1958, Morse Auto Rentals, Inc. took over the Pascal System, Inc., 4551 N. W. 36th Street, Miami Springs, Florida. He stated that records pertaining to the rental by DANY JONES of the Nash Rambler, Pascal System Car #4254, could be obtained c/o [] Pascal System, Inc., 1127 Lawrence Avenue, Chicago, Illinois.

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This car, a two-door, gray Nash Rambler, was rented to DANY JONES about noon, July 9, 1958. He was alone at the time he picked up the car and indicated he was going to meet someone in the Florida Keys, specific location not stated. The license number of the car was not available, as the vehicle has been transported to Chicago. III

[] stated the car was surrendered late in the afternoon of [] by two young boys. A negative effort was made by [] to get the balance of \$28.49 owed on the car from these boys. They informed him that they had merely been requested by JONES to return the car.

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Data concerning this vehicle is previously reported on page [] of the report covering the investigative period from [] As reported elsewhere herein, [] admitted driving this car to Miami and returning it to Pascal. FBI, III

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Information was received on September 24, 1958, from a source believed reliable, that in June, 1956, [] Dade County Department of Public Safety, Miami, Florida, summoned to his office Lt. EARL OWENS, Juvenile Division, Miami Police Department; PAUL MILANE, who as of the date this information was received was a Dade County Road Patrolman; RALPH ASHBURN, a recent unsuccessful candidate to the County Commission who is now a private detective; and a Commander in the United States Navy, identity unknown, who was a friend of []

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[] which were to proceed to Nassau, Bahamas, and contact STAFFORD SANDS.

The informant stated that he believes that at the time Lt. OWENS was on vacation from the Miami Police Department, ASHBURN, he thought, was a Deputy Sheriff, and MILANE was believed unemployed. Nothing was known

concerning the Commander or his identity, except that he was a friend of [redacted]

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The informant stated that the group was to participate in the purchasing of votes from Negro natives in the Bahamas in behalf of candidates chosen by STAFFORD SANDS. It was the belief of the informant that two or three trips were made by the above-named individuals, and that ERNEST SISTRUNK [redacted] had also been on trips in connection with the 1956 elections in the Bahamas. SISTRUNK at the time was believed by the informant to have resigned as Chief of Police at Opa Locka, Florida, had run and been defeated for the position of Constable, and was inbetween jobs. [redacted]

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On October 7, 1958, PAUL MILANE, a Road Patrolman with the Dade County Department of Public Safety was interviewed concerning the above information as well as his knowledge of participation by Dade Deputies in the Haitian revolution of July 29, 1958. He furnished the following statement which was sworn to and notarized by [redacted]

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[redacted] Miami, Florida.

"Miami, Florida
October 7, 1958

I, PAUL MILANE, make the following voluntary statement to [redacted] who has identified himself to me as a [redacted]

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No threats or promises have been made to me for making this statement and I do so freely and voluntarily realizing that it may be used in a court of law.

On or about June 13, 1956 I was called at my place of employment, Smith, Richardson and Conroy, N. E. 11th Street, Miami, Florida by RAY STARLING, Personnel Officer for the Dade County Sheriff's office. He told me on the phone that he had a job for me. I had applied for a position with the sheriff's office and thought at first he meant I was being given an appointment. However he explained that it wasn't directly for the sheriff's office officially and that it was a job of about one week's duration. I explained that I could not leave my job with Smith, Richardson for but seven days work and he told me not to worry for by the time the job was completed I would be cleared for an appointment with the Sheriff's office. He told me to go to his office immediately which I did. This was on the 15th floor of the Dade County Court House where he then maintained his office.

Upon arrival there I met RALPH ASHBURN, LT. EARL OWENS of the Miami Police Department and a man who was introduced to me as a Commander in the Navy. He was an older man and I do not know whether he was in the active Navy, retired or in the Reserves. He was a white man, about 60 years of age, described as 6', 180-190 pounds, greying hair and carried himself well. I do not recall his name but believe I would

recognize him.

A conversation followed in which [] asked me if I was familiar with the use of firearms. I told him I was and he inquired as to whether I had a sidearm. I told him I did not own one but could obtain one. He informed me that if I had any difficulty he could help me. He instructed us not to carry any identification particularly anything that would refer to the Sheriff's office. He told us the assignment was a "sort of body-guard job" but that he would let [] of the [] explain it. No details were furnished at this time by []

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The five of us including [] OWENS, The Commander, ASHBURN and myself walked to the BAHAMA DEVELOPMENT BOARD'S office at 20 S. E. 3rd Avenue, Miami, Florida. There [] introduced us to [] then explained that we were to be paid \$15.00 per day each plus expenses to protect MR. STAFFORD SANDS and his family. [] explained that the elections in the Bahamas were coming up and SANDS thought there might be trouble with the negros. He told us he wanted us to take the 1:00 P.M. flight to Nassau on that day and told us to separate from each other and to register at the Prince George Hotel in Nassau separately.

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I told [] that the salary was not high enough and was joined in this complaint by RALPH ASHBURN. This was the first time I ever met ASHBURN, OWENS or the Commander. I had previously seen [] two or three times with reference to employment. The rate was raised [] and I believe we settled on \$300.00 each for a seven day tour of duty plus all expenses.

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A discussion then arose as to the procurement of blackjacks and tear gas guns to take with us. [] at this point told [] that they better get working on it and [] gave [] some money to make purchases. [] in turn gave this money to RALPH ASHBURN. ASHBURN, [] and myself then went to a gunshop located on the east side of the courthouse and purchased six tear gas guns of the fountain pen type. Before we left [] office he handed [] a box which he in turn gave to me. It contained about a dozen and a half cheap blackjacks. We were also given money to buy round trip plane tickets to Nassau and were instructed to try and get over on the 1:00 P.M. plane that day. Actually we took a plane about 5:00 P.M.

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[] instructed us that after we arrived in Nassau we were to filter one by one into STAFFORD SANDS office after we had checked into the hotel. That evening ASHBURN, OWENS, the Commander and myself met STAFFORD SANDS and

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[redacted]
in Nassau. SANDS office where the meeting was held was on the second floor of a building about three doors from the Prince George Hotel to the right as you leave the hotel.

Bahamas

STAFFORD SANDS then gave us an explanation of the House of Assembly, how members are elected, the number of seats, the method in which the residents of the various islands vote, etc. He explained that our job was to see that the right men got elected. Each of the various islands, he explained, vote on a different day and the entire election takes about seven days. This is so as anyone who owns land valued at over \$500.00 on an island is entitled to a vote on each of the islands when he owns this amount of property.

After he went through this explanation I asked SANDS what would happen if someone got hurt. He said not to worry about Miami as he was a good friend of [redacted] and not to be concerned about the Bahamas as if anything happened he would get us out of the country. This was after he had told ASHBURN and myself that we were to go to Fresh Creek Andros with [redacted] in Nassau and a third Bahamian whose name I do not recall. He had told the Commander that he would accompany him aboard his private yacht while they "island hopped." Lt. Owens, I believe, went to Eleuthera Island and also went to several others. I do not know who he accompanied. We were instructed upon our arrival in Fresh Creek Andros by [redacted] that our job was to strong-arm the natives and generally aid the Bahamians we were accompanying while they bought votes. We declined and I explained to ASHBURN that I didn't want to even carry a gun and consequently neither of us wore sidearms. We flew, very early the next morning, with [redacted] and the third Bahamian in a amphibious plane to [redacted] where we stayed at the Light House Club. We stayed here about four days. While there a rumor started that the natives were going to tear down the Light House Club. [redacted] had been over in Androstown where the natives reside and apparently they became disturbed with the pressure he was exerting. This was on the eve before the election and a plane came in to take [redacted] and the money he was carrying off the island. He was scared and told us he was sorry but he had to go. A negro named [redacted] who was the head of the Peoples Labor Party was the opposition to SANDS and [redacted] at Fresh Creek Andros. He actually was elected to the House of Assembly.

We all returned to the Prince George in Nassau after the elections and subsequently flew back to Miami.

Sometime after we returned to Miami or about July 24,

1956. I received a call from [] who told me to contact [] I called [] who asked me if I could get RALPH ASHBURN. I contacted ASHBURN and we met []

[] Miami, Florida. This was early in the afternoon. [] explained to us that two days hence they were going to have the first seating of the new House of Assembly at Nassau and that bodyguards for SANDS were needed. He explained that this would definitely be a bodyguard job. He told us to meet him later that same afternoon at [] ASHBURN and I went to [] As we were leaving []

[] for STAFFORD SANDS. Since I was going on to the Sheriff's department ASHBURN decided I might as well buy []

Upon arrival at [] I met ERNIE SISTRUNK and [] for the first time. [] introduced them to ASHBURN and advised us that they were going to accompany us on the trip to Nassau. He told us to report to STAFFORD SANDS in Nassau and advised us that it would be all right to travel in a group. We flew to Nassau where [] mentioned above, met us at the plane. He drove us to the [] of Nassau where all [] stayed as guests.

We remained there several days possibly as long as a week. I believe the night after we arrived the first meeting of the House of Assembly was held. The four of us together with various friends of STAFFORD SANDS had special passes and occupied the first two rows in the audience at the initial meeting of the House of Assembly. Before the meeting convened we met at SANDS home and he explained that he expected trouble. Our job was to get SANDS out of the meeting if trouble started.

Actually there was some commotion outside but it was stopped by the extra police that had been brought in for the meeting. After the meeting we returned to SANDS house and were sitting on the back veranda when about ten rifle shots were fired in the direction of the house. [] Ashburn, Sistrunk, Sands, his wife []

[] in Nassau, and [] were present. We stayed around a few days and then returned to Miami.

Before we left Nassau, [] hired [] ASHBURN, SISTRUNK and [] - to return to Nassau for the next meeting of the House of Assembly. [] instructed us to pick up our money for the trip from [] I believe we received [] each and expenses for the second trip.

I believe that [redacted] Sistrunk, Ashburn and myself went on the third trip which was shortly after we returned from the second trip. On this occasion I believe we checked into the [redacted] in Nassau. This trip was uneventful as things had quieted down and we didn't even have to attend the meeting of the House of Assembly.

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At the time I was originally contacted by [redacted] it was my impression that the Bahamian assignment was perfectly in order and that it was in line with my future expected position with the sheriff's office. I wish to state that while I now know better at that time I was not aware of or alert to the seriousness of interfering in foreign matter. If I had known at the beginning of the above related incidents that we were going on a political matter rather than a bodyguard assignment I would have declined.

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I have read the above statements of the above and 8 other pages, that they are true and correct to the best of my knowledge.

Paul Milane

WITNESSED:

[redacted] Miami,
Florida, Oct. 7, 1958.

Sworn to and subscribed before
me this 7th day of October, 1958

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[redacted]
State of Florida at Large
My commission expires December 9,
1959."

The political party referred to by MILANE as the People's Labor Party is commonly known as the PLP and is actually the progressive labor party.

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The Light House Club at Fresh Creek Andros, where he alleges he and RALPH ASHBURN stayed, is believed to be the private club owned by

[redacted]

The Pilot House mentioned in MILANE'S statement as a place where he, SISTRUNK, [redacted] and ASHBURN stayed on one of their trips to Nassau is [redacted]

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[redacted] STAFFORD SANDS.

In addition to the data contained in his signed statement, MILANE advised that following the third trip to Nassau at the request of

[redacted] was peeved because he didn't get to make the arrangements for this trip. MILANE further said that [redacted] and STAFFORD SANDS are very close friends. When questioned as to his source, MILANE said that he concluded this as [redacted] with STAFFORD SANDS in Nassau [redacted]. He further related that SANDS had put a lot of money into [redacted] but was unable to give any information which would substantiate this comment.

In discussing the Haiti revolution of July 29, 1958, PAUL MILANE said that at the time of the revolution he heard that [redacted] has a corporation withholdings in Haiti. He was unable to back up this information or identify his source.

MILANE said that early in [redacted] invited him on what was described as a bodyguard deal to [redacted]. He said that he was offered [redacted] of which he was to be paid when he left on the trip [redacted]. He said that [redacted]

When questioned as to the identity of witnesses present, MILANE said that [redacted] was the only one he could recall.

MILANE said that during the time he went on the trips to Nassau mentioned in the above statement he was being processed for a job with the Sheriff's Office but did not receive his appointment until October, 1956.

MILANE said that in December of 1957 he purchased a home at 6075 S. W. 85th Avenue, Miami, Florida, telephone number MO 6-2917, from FRANK DICE, then a Bolita operator. DICE passed away in February of 1958. After his death MILANE introduced Deputy DANY JONES to [redacted] and the two subsequently kept company. He said that according to [redacted] dismissed for participating in the Haiti revolution, [redacted] gave DANY JONES \$1,000.00 "to go out and buy some stuff." [redacted] according to MILANE, now presumes that the "stuff" referred to guns.

MILANE'S father-in-law died a few days after his vacation started and he and [redacted] went to Chicago for the funeral. He returned to Miami June 23, 1958, and heard that DANY JONES was in jail in Cuba. He said he cannot recall the source of this information but decided to check with [redacted] and told her he knew a man who had been with the Cuban Secret Police who could find out some details. Reference is made to page 30 of the initial report in the instant matter wherein [redacted] stated that PAUL MILANE told her that men in the Sheriff's Department were getting together an amount of money to get the boys out of Cuba. He denied having

told her this or that her husband was being held by [] and said that []

[] who is currently trying to become a member of the Dade County Department of Public Safety. He works with [] Miami.

MILANE claimed that when he heard DANY JONES was in jail he did not think it was in connection with the bodyguard job which allegedly was to Cuba, but merely thought it was another unrelated local matter in Havana. Since he still had vacation time remaining, he figured he would fly to Cuba and straighten out whatever trouble with which JONES might be involved. He said that JONES definitely was not the type to become involved in the Haiti revolutionary attempt, and it was still hard for him to believe that JONES would let himself become involved in it.

On page 36 of the initial report, data is set forth that one []

[] DANY JONES, allegedly stated that one [] commented that he was "supposed to go on the trip to Haiti and that they had called me 'chicken,' to which I had replied that at least I was a live chicken." []

[] Miami, Florida, which was in the zone patrolled by DANY JONES and PAUL MILANE when they worked together in the Road Patrol. MILANE said that [] who has recently been fired from the []

It will be noted on page 6 of the initial report information is set forth that a car which had a Sheriff's Office emblem and also a comic slogan stuck on the window indicating [] was reported as having attended one of the meetings held at the residence of []

The source of this information was []

MILANE stated that [] hangs out at the [] Miami, Florida.

Further information was furnished by MILANE that DANY JONES used to date [] and that they used to visit MILANE'S home together. He also commented that he heard from people who he could not identify that []

[] who did some of the questioning of the men involved in the Haitian revolutionary plot, was actually in on the plot with [] from the beginning. He said that RALPH ASHBURN was recently fired from the Dade County Department of Public Safety when a key witness in a prosecution could not be located. He stated that he understands that the witness was an informant of ASHBURN'S who was in jail at the time they were seeking to subpoena him as a witness, and the Sheriff's Office had the impression that a pay-off was made to ASHBURN to keep the witness "under wraps." ASHBURN, according to MILANE, is now operating the Metropolitan Detective Agency.

[redacted] according to MILANE. [redacted]
[redacted]
[redacted] according to MILANE, [redacted]
[redacted]
[redacted] but could furnish no witnesses who could attest to this.

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MILANE stated that he is of the impression that [redacted] knows much concerning the [redacted]
[redacted] He said that someone in the Sheriff's Office has talked to [redacted] and has scared him so that he may be reluctant to talk. [redacted] allegedly told MILANE that the group bought some [redacted]
[redacted]

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On October 8, 1958, PAUL MILANE telephonically advised that he had recalled that the individual who accompanied RALPH ASHBURN, Lt. EARL OWENS and himself to Nassau on the first trip as described in the statement set forth above was a man named HART.

On September 28, 1958, [redacted] Nassau, Bahamas, was asked to check his records for 1956 to determine whether there was any record of PAUL MILANE, RALPH ASHBURN, EARL OWENS, ERNEST SISTRUNK, and [redacted] having been guests at that hotel. He stated that the records were not immediately available but that he would cause a search to be made and advise the writer. By letter dated September 29, 1958, [redacted] advised that records had been located indicating that PAUL MILANE, ERNEST SISTRUNK, [redacted] and R. ASHBORN had been guests at that place from July 24 to 31, 1956.

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Similar requests were made on September 28 and October 9, 1958, of [redacted] Nassau, Bahamas. By letter dated October 11, 1958, [redacted] advised that a check of his files reflected the following:

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RALPH ASHBURN and EARL OWENS checked in on June 13, 1956 at 10:12 A. M. and checked out on June 14th at 9:57 A. M.

EARL OWENS and W. C. HART checked in on June 20, 1956, at 6:02 P. M. and checked out on June 21st at 3:09 P. M.

On June 17, 1956, at 11:15 A. M., MILANE and ASHBURN checked in and checked out on June 20th at 2:24 P. M.

He was unable to find any record concerning SISTRUNK [redacted]

After he had failed to keep appointments for interviews, State Attorney RICHARD E. GERSTEIN was requested to subpoena [redacted]

[redacted] He was located by [redacted] [redacted] was served, and answered the subpoena on the morning of October 17, 1958. At that time he was interviewed by the writer and furnished the following voluntary signed statement. In addition, [redacted] advised that he is currently endeavoring to get reinstated with the Department of Public Safety.

"Miami, Florida
October 17, 1958

I, [redacted], make the following voluntary statement to [redacted] who has identified himself to me as a [redacted] assigned to the [redacted] [redacted] Miami, Florida. No threats or promises have been made to me for making this statement and I do so freely and voluntarily realizing that it may be used in a court of law.

I was originally employed by the [redacted] [redacted] on or about May 29, 1953. In 1955 I was transferred to the [redacted]

[redacted] This job did not materialize so after spending some time in California I returned to Miami and in July, 1957 I was reinstated as a [redacted] [redacted] and held this position until [redacted]

I wish to state that I knew nothing concerning the involvement of Department of Public Safety personnel in the recent plot to overthrow the government of Haiti until a few days before the news broke publicly. A few days before the announcement in the press I knew that there was some kind of an investigation going on but had no specific details.

Neither [redacted] nor anyone else ever informed me of the intended trip to Haiti until members of the expedition had left Dade County. I was never propositioned to go on the expedition. I drive [redacted] [redacted] However, while I have been to the [redacted] and about [redacted] I never told anyone that I was supposed to [redacted] DANY JONES and the others. Also, while I may know her if I see her, I cannot recall anyone named [redacted] who

may have kept company with DANY JONES.

Neither DANY JONES nor [] were close friends and I never visited the homes of either.

In July 1956, after []

[] I ran into []

[] He told me that he knew of a job I might get for a few days that would involve a trip to Nassau, Bahamas. He told me that a man named STAFFORD SANDS in Nassau, who he said was a member of the House of Assembly, wanted some bodyguards. [] had, over a period of a few days, also obtained PAUL MILANE, RALPH ASHBURN, and ERNIE SISTRUNK to go to Nassau as bodyguards for SANDS. He sent me to see []

[] whose office I believe [] Miami, Florida.

[] told us that STAFFORD SANDS wanted to be escorted to the meeting of the House of Assembly at Nassau as he was expecting an outbreak of violence. We flew to Nassau and were met by [] in Nassau. He drove us to the [] I believe we stayed three days and four nights at this place and then returned to Miami.

While in Nassau we drove with STAFFORD SANDS to the meeting of the House of Assembly and were in the public seats while the meeting was in session. The purpose of this was to see that SANDS did not get hurt if any violence broke out.

After the meeting we returned to SANDS home and while we were sitting around the terrace some rifle shots were heard. I only heard one shot.

I am positive that I did not take any other trips to Nassau.

I have read the above statement and pages and find them true to the best of my knowledge.

Witnessed:

[]
[] Miami, Fla."

As indicated on pages 34 and 36 of the initial report, DANY JONES was keeping company with one [] at the time he went on the Haitian expedition where he met his death. It was determined

[redacted]
[redacted] commented that he was supposed to go on the trip to Haiti but had backed out. [redacted] said that this individual has since been [redacted]
[redacted] was identified as [redacted]

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When interviewed on October 17, 1958, [redacted] stated that she did not hear [redacted] make the comment that he was supposed to go on the Haitian revolutionary trip, but believes a girl named [redacted] Street, Miami, Florida, was the one that told [redacted] had overheard [redacted] make such a comment. [redacted] stated that she believes [redacted] had been drinking at the time of this remark.

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[redacted]
[redacted] said that he contacted [redacted] he went away and told [redacted] that he expected to be gone for two weeks, was going away, and said that "when I come back I will have a better position." JONES, [redacted] said, did not elaborate and was not the type to discuss his activities. [redacted] was unable to furnish any information of interest to the instant investigation.

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The personnel file of [redacted] appears to be incomplete as there is no record of his original employment on May 29, 1953, as he indicated in his signed statement. It was noted his file contains a personnel form indicating the form was prepared on May 27, 1957. This form shows a separation from the service by [redacted] and the effective date of action was originally typed in as July 1, 1957. This was changed in ink to read July 1, 1956, although no change was made for the date of preparation. Also it is noted that this form bears the Dade County date stamp of May 29, 1957.

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On October 22, 1958, [redacted] exhibited payroll records that indicated that [redacted] was originally employed effective [redacted] with the [redacted] He was transferred from [redacted]
[redacted]
[redacted] He received no compensation in July, 1956. He was re-hired [redacted] [redacted] and saw continuous service through [redacted]

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At the time he was interviewed, October 17, 1958, [redacted] insisted that he had taken but one trip to Nassau in connection with the alleged bodyguarding of STAFFORD SANDS, despite the fact that he was shown the two Bahamian immigration forms indicating that he

had come to Nassau on both July 24, 1956, and July 29, 1956. These cards are obviously written in the same handwriting.

The personnel file of PAUL MILANE indicates that he was originally given a probationary appointment to the Sheriff's Road Patrol on November 13, 1957. This file is apparently also incomplete for an F.B.I. identification record shows that MILANE was fingerprinted as an applicant on August 10, 1956. The F.B.I. number on this identification record is illegible, but it is indicated that MILANE, under number 268717, was arrested May 25, 1954, by the Police Department at Phoenix, Arizona, on a charge of Assault and Battery. A letter from [redacted]

[redacted] indicated that MILANE appeared in Court and was sentenced to a \$50.00 fine or 25 days imprisonment, paid the fine, and was released on May 26, 1954. No details concerning the Assault and Battery were contained in this communique. MILANE was obviously employed prior to his original appointment, effective November 13, 1957, for there is contained in his file an efficiency report covering the period from April 1, 1957, to September 30, 1957, and signed by his superiors. The date of this report is October 21, 1957, and it was reviewed by MILANE on November 1, 1957.

The personnel file of RALPH ASHBURN shows a record of his original employment being effective July 17, 1956. This was a temporary appointment and the file indicates that he was separated from the service as of the close of business July 23, 1956. He was [redacted] employed as of July 28, 1956, on a part-time basis and was separated from the service as of the close of business September 28, 1956. ASHBURN was again re-employed on October 1, 1956.

There is contained in ASHBURN'S file a statement dated July 20, 1956, [redacted] from ASHBURN wherein he says, "It is my understanding that I am employed as a Deputy Sheriff on a temporary basis only, effective July 17, 1956." There are no leave slips in this file, so that since the effective date of his re-employment was July 28, 1956, and as he went to Nassau on July 29, 1956, for three days, he was apparently on the County payroll while he was working for STAFFORD SANDS in Nassau, Bahamas.

[redacted] exhibited payroll records relative to RALPH V. ASHBURN on October 22, 1958, which indicated that the effective date of ASHBURN'S employment was July 17, 1956. He was employed continuously until February 3, 1958, except for a short period of time he was off about December 8, 1957. The payroll records failed to show any break in pay for the period commencing July 24, 1956.

By letter dated September 30, 1958, [redacted]
[redacted] Nassau, Bahamas, was requested to verify the presence in Nassau, the dates of arrivals and departures, the places of residence, the airlines used, and flight numbers of the following individuals who reportedly were in Nassau on the dates indicated:

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[redacted]
PAUL MILANE - June 13, July 24, and July 29, 1956.
EARL E. OWENS - June 13, 1956.
RALPH ASHBURN - June 13, 1956.

This request was made prior to the time the statement was taken from PAUL MILANE and full details were known. [redacted] was personally interviewed by the writer at the Immigration Office, Nassau, Bahamas, on October 9, 1958, and exhibited Embarkation/Disembarkation cards which contained the following information set forth below. [redacted] made available photostatic copies of these cards, verifying the presence of the various individuals in Nassau.

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JUNE 13, 1956 TRIP

1. Mr. PAUL MILANE
655 S. W. 64th Court
Miami, Florida

The card on MILANE indicated that he bought his ticket in Miami, Florida, was an American citizen, born at Mertin, Wisconsin, on June 17, 1920, and that he intended to stay at the Prince George Hotel in Nassau. The card, which contains MILANE'S signature, indicated that he arrived in Nassau on June 13, 1956, aboard Pan American Flight 401.

2. WILLIAM CHARLES HART
2216 S. W. 60th Avenue
Miami 4, Florida

The card for this individual indicates his ticket was purchased in Miami, that he is a United States citizen, born May 22, 1898, at Philadelphia, Pennsylvania. The card bearing his signature indicates that he arrived aboard P.A.A. Flight 401 on June 13, 1956, and intended to stay at the Prince George Hotel.

3. RALPH V. ASHBURN
11 S. W. 40th Avenue
Miami, Florida

The card for ASHBURN indicates that he purchased his ticket at Miami, is an American citizen who was born July 8, 1918 at Columbia, South Carolina. It indicates that he arrived in Nassau via P.A.A. Flight 401 on June 13, 1956, and indicated he was to stay at the Prince George Hotel. The card contains his signature.

4. EARL E. OWENS
1816 N. W. 32nd Avenue
Miami 35, Florida

It was indicated on this card that OWENS purchased his ticket in Miami, Florida, is an American citizen, born November 21, 1915, at Suwanee County, Florida. It indicated that he arrived in Nassau June 13, 1956, aboard P.A.A. Flight 401, and that his address of destination was the Prince George Hotel. His signature is contained on the card.

JULY 24, 1956 TRIP

1. PAUL MILANE
655 S. W. 64th Court
Miami, Florida

This card indicates that MILANE, an American citizen, was born at Mertin, Wisconsin. The card is signed by him and indicates that his destination was the Pilot House Club. He arrived in Nassau via P.A.A. Flight 403.

2. RALPH V. ASHBURN
11 S. W. 40th Avenue
Miami, Florida

His card indicates that he arrived in Nassau via Flight 401 on July 24, 1956, that he is an American citizen, born July 8, 1918, at Columbia, South Carolina, and that his address of destination was the Pilot House Club. His signature appears on this card.

3.

Miami, Florida

The card indicates that

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in Nassau. His date of arrival was indicated [redacted] but no flight number was given. His signature appears on the card.

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4. ERNEST E. SISTRUNK
995 N. W. 18th Place
Miami, Florida

The card for this traveler indicated that he is an American who was born January 20, 1909 at Tropic, Brevard County, Florida. It was indicated that he arrived in Nassau July 24, 1956, flight number not indicated, and that he was to stay at the Pilot House. His signature appears on this travel card.

JULY 29, 1956 TRIP

1. [redacted]

Miami, Florida

The card indicates that his ticket was purchased in Miami, that he is a [redacted]

[redacted]

[redacted] His signature was contained on this card.

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2. RALPH V. ASHBURN
11 S. W. 40th Avenue
Miami, Florida

This card indicated that ASHBURN was born July 8, 1918, in Columbia, South Carolina, and is an American citizen. He arrived at Nassau July 29, 1956, aboard Pan American Flight 401 and was destined to stay at the Pilot House Club. His signature appears on the card.

3. PAUL MILANE
655 S. W. 64th Court
Miami, Florida

The card on MILANE indicates that he is an American citizen, born at Mertin, Wisconsin. He was destined to stay at the Pilot House Club, having arrived in Nassau July 29, 1956. No flight is indicated. His signature appears on the card.

4. ERNEST E. SISTRUNK
995 N. W. 18th Place
Miami, Florida

SISTRUNK, an American citizen as indicated by the card, was born at Tropic, Brevard County, Florida, and arrived in Nassau on July 29, 1956. No flight number or address of destination is indicated, although his signature appears on the card.

On October 14, 1958, PAUL MILANE surrendered to the writer a fountain pen type tear gas gun which contained no trade name or serial number, but was indicated to have been made in Germany. It has a trigger cartridge holder on each end. He advised that this was one of the tear gas guns purchased at the suggestion of [redacted]. He also brought in the carbon copy of Pan American World Airways passenger ticket #0262-02 38564, indicating that he had traveled from Miami to Nassau via Pan American Airways Flight 403 on July 24, 1956. This ticket contains his name as the traveler. Pan American World Airways ticket #0262-02 38892, indicating first class travel from Miami to Nassau on Flight 401 at 8:30 A. M. on July 29, 1956, by MILANE was also made available. He provided a book of photographs taken in the Bahamas, which includes pictures of the Light House Club on Andros Island, photographs of RALPH ASHBURN, [redacted] PAUL MILANE, [redacted] Lt. EARL OWENS, and other unidentified individuals. In addition to being taken at the Light House Club at Fresh Creek Andros, some of the photographs were taken at the Pilot House in Nassau.

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MILANE also exhibited a copy of a letter dated June 20, 1956, on the stationery of Howard Johnson Tours Limited, Post Office Box 406, 229 Bay Street, Suite A, Nassau, Bahamas. This is a letter of recommendation from HOWARD JOHNSON, indicating that JOHNSON knew MILANE. If necessary, MILANE can produce this letter to corroborate the fact that he is acquainted with JOHNSON.

It was determined in Nassau that the newspaper, Nassau Daily Guardian, on October 23, 1956, carried an article indicating that as of that date the first of four cases concerning alleged bribery started with the trial of [redacted] before Chief Justice Sir GUY HENDERSON of the Supreme Court of the Bahamas. [redacted] was charged with:

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1. Receiving 180 pounds for himself and others on June 15, 1956, for agreement to vote at the June 16, 1956 election at Cooper's Town, Abaco.
2. Corruptly giving 10 pounds to [redacted] a voter, on June 17, 1956, on account of his having voted at the election.

3. Corruptly giving 10 pounds to [] a voter, on June 17, 1956, on account of his having voted at the election.

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It was alleged by the Crown that [] received 180 pounds from [] for himself and others to vote [] and [] " The latter two are Captain [] [] and [] won in the June, 1956 elections. JOHNSON died, and in a separate election, [] mentioned above, was elected.

It was learned in Nassau that [] was acquitted of the above charges because of insufficient evidence. [] is a very wealthy and prominent []

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[] is closely allied with STAFFORD SANDS. STAFFORD SANDS is the Chairman of the Bahamas Development Board and he and [] in the Bahamas.

While in Port au Prince, Major [] advised that one [] He said that [] may now be in the Miami area as he is a friend of [] whose name has been mentioned in previous reports and whose name was found in the address books of some of the revolutionaries who were killed on July 29, 1958. [] said that [] is unreliable and not to be trusted.

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[] Nassau, Bahamas, was interviewed at his residence on September 27, 1958. He advised that he was the []

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About a week or ten days before the revolt in Haiti, he said that one [] came by his home and said that "something could happen in Haiti," but did not elaborate upon this. [] subsequent to the revolt of July 29, 1958, was called on by [] and advised that [] and others of his group had been in Nassau.

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When he was in Haiti [] said he did not have an opportunity to see President FRANCOIS DUVALOIR, but was sent back to Nassau by his superiors thinking everything was in order. However, it was []

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[redacted] went to Nassau on August 25, 1958, according to [redacted] to investigate the Bahamian aspects of the abortive Haitian revolution. [redacted]

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[redacted] contacted [redacted] who, according to [redacted] wanted to act as a confidential informant.

[redacted] were also alleged by [redacted] to have been in contact with one [redacted] Nassau, and [redacted]

Both of these individuals are Haitians and, according to [redacted] have been active in illicit activities such as smuggling. No details to substantiate such a claim were given by [redacted] He further stated that prior to the time he learned that [redacted]

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[redacted] where he allegedly was advising people that [redacted] claimed he could not recall who told him this, nor could he furnish details as to the identity of the host or the location of the alleged [redacted]

According to [redacted] there are about 2,000 Haitian Nationals in Nassau, Bahamas, and [redacted] are very active among them. He said that the two had informed [redacted] should have known that the Haitian revolution of July 29, 1958, was to come off.

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In discussing this, [redacted] said that neither [redacted] had come to him to alert him of any danger, although they indicated to [redacted] that it was obvious trouble had been brewing. [redacted] said that as of the date of the interview [redacted]

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[redacted] alleged that he is obviously the victim of jealousy and that he has been and still continues to be loyal to President DUVALOIR, to whom he has been [redacted]

In discussing his situation, [redacted] said that [redacted]

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[redacted] he claimed, [redacted] In discussing the white woman to whom he is now married, [redacted] said that [redacted] where he claimed [redacted] She was not further identified.

In further discussing the general picture, [redacted] said he feels some people close to DUVALOIR, who the President thinks are loyal, are actually betraying him. He had no specific details in this regard. He did stated that both [redacted]

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[] said he was told by [] that one ELWOOD BAKER of Miami, Florida, has a connection to obtain arms and is connected with a revolutionary group. He was unable to elaborate on this.

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[] at first stated that he had talked to [] at which time this Cuban revolutionary told him that [] had spoken to him and wanted [] to make a contact for him with [] [] was quoted by [] as saying he had refused to become involved.

Later in the interview with [] he referred to notes indicating that he had had an interview with [] in Nassau. On that date []

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[] He allegedly also told [] that he would then have to spend some time there, and then go to the []

In contradiction to his statement earlier in the interview when he referred to a [] in referring to his notes dated [] said that [] had actually [] had refused to be involved.

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In speaking of his own background, [] repeated that []

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He said that originally []

However, he said []

While discussing the Haitian political situation, he said that he learned about two weeks prior to the instant interview that [] had been received during []

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[] who is the current [] he said, was on the staff [] Because of this, [] said.

[] has actually been []

Further said [] some [] took political refuge in the Haitian Embassy at Santiago de Cuba. [] he alleged, sent men in, took over the Haitian Embassy, and killed the Army officers in the Embassy. He said that no protest was made by DUVALOIR to [] following this incident.

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Other data furnished by [] was that about six months ago a boatload of munitions went from the United States to Bimini, Bahamas, and the boat, he claimed, was stopped at the time and there was a question as to whether it was destined for Cuba or Haiti. His knowledge of this alleged incident was hazy and no further details were forthcoming from him.

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[] was questioned as to whether he had any specific information indicating that the [] was actually in Nassau while en route from Florida to Haiti on the revolutionary expedition. In this regard Major [] advised while the writer was in Haiti that the Haitian government had been able to establish that the [] was in Nassau on [] and the occupants []

According to [] admits to []
[] No further information of interest to the instant investigation was obtained from []

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[] Columbus Hotel, Bay Street, Nassau, Bahamas, when contacted on September 27, 1958, said that [] first registered at this place on [] and departed [] He returned to the Columbus Hotel on [] and registered as being from [] At the time of the interview, [] stated [] was living in room [] A review of the hotel registration cards at the Columbus Hotel failed to indicate that anyone known to have been connected with the Haitian revolt was registered under his correct name.

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Captain [] England, and now associated with the [] Nassau Police, Nassau, Bahamas, advised on September 27, 1958, that [] of the Columbus Hotel is unreliable and it is doubtful whether he would furnish information if he had known that members of the Haitian revolutionary expedition, including Metro deputies, had been in Nassau and staying at the Columbus Hotel. In this regard a check was made of customs officials at Nassau on September 27, 1958, and they said that there was no record of the [] of Key West, Florida, having officially entered or clearing the port of Nassau or any other outlying Bahamian port.

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Captain [] when questioned about the boatload of munitions which [] indicated had traveled from the United States to Bimini en route to either Cuba or Haiti, recalled an incident that happened about May 1, 1958. He stated that about three or four days before that date a Cuban boat had clearance in the United States and reportedly was in the vicinity of Gunn Key in the Bahamas. He stated that he chartered a plane but was unable to locate any trace of such a vessel.

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Captain [] advised that he had learned from a confidential informant that []

[] had been obtaining arms for Haitian and Cuban revolutionary groups. His informant, who he refused to identify, said

[] They also, according to [] reportedly used the []
[] said his informant also told him that the [] is supposed to own [] located on a []

Captain [] said that his informant had turned over to him seven photographs of individuals he alleged were all Negro Deputy Sheriffs or Miami City policemen engaged in obtaining guns for revolutionary activities. He said he had not developed the information, but would do so when his informant, who was away, returned to Nassau. Pictures of the following, who were identified by Captain [] informant, were exhibited to the writer:

1. [] This was a small, identification-type picture indicating it was taken in the []
2. [] This was the same type photo as above, was taken []
3. [] This was a small, one-inch square photo of [] believed by []
4. Photo of []
5. Photo of one []
6. [] This was a small, passport type photo which merely had the name on the back. Captain [] did not know how his informant had identified this individual.
7. This was a small photo of a Negro who was not identified by name. The picture had the number [] on the reverse side and Captain [] thought that this might be a badge number.

[] said he did not have copies of the photos, but would have some made and furnish them to the writer, and would also endeavor to develop further data from his confidential source. He did recall his informant's stating that one of the individuals appearing in the above-described photographs had, according to his

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informant, a scar on his left cheek.

It was learned from Captain [] that some time previous, [] of the United States Customs Agency, Miami, had been in Nassau on an investigation. When interviewed July 30, 1958, in Miami, [] advised that he had worked with Captain [] on a case involving some alleged narcotic traffic. He said that one [] who formerly worked in the []

[redacted] Haiti, and who was also believed to have been in the rackets, had furnished Captain [redacted] some data concerning possible narcotic activity. He stated that it developed that a woman was supposed to bring some heroin from Nassau to Miami. What at first seemed to be a bona fide narcotics case, he said, turned out to be a con game worked by the woman to aid her in attempting to get a visa to come to the United States. The woman was taken into custody but turned out to have a corset filled with alum and corn starch rather than heroin and there was no prosecution. [redacted] said that [redacted] has on a few occasions come to Miami, where he stays at the [redacted]

Inasmuch as [redacted] had indicated that [redacted] was away from Nassau, checks were made at the [redacted]

September 30, 1958. Negative results.

A review of the personnel roster of the Department of Public Safety indicated that one [REDACTED] is a police investigator in the Criminal Bureau of Investigation; one [REDACTED]

named [redacted] No individuals were listed.

The writer was interviewed on October 6, 1958, by a representative of the Federal Bureau of Investigation, Miami, who advised that the agency had received information from a source believed reliable [REDACTED]

The writer was contacted by the Federal Bureau of Investigation's representative as the Bureau had previously been advised of the information received from Captain [redacted] indicating a new potential

Neutrality Act violation on the part of the Negro Deputies.

It appeared that the [] referred to may have been the same as the individual who is also previously known as [] [] are also apparently identical with some of the individuals named by Captain []

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The Department of Public Safety personnel roster shows that one []

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Captain [] was re-interviewed in Nassau on October 9, 1958. []

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[] and in the past has furnished reliable data in many instances. Captain [] was furnished with the information concerning the mysterious gathering of []

[] Details concerning this are set forth on page 119 of a previous report.

[] was located through Captain [] and interviewed in detail. He stated that he is the []

[] He stated that he has never indicated to anyone that he was ever a []

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[] stated that they had been furnished to him by []

[] had informed [] that he knew of a []

[] He stated that he had reference to [] who he stated he knew in Miami, Florida, [] He said that all the information he has in this regard is old and dates back to over a year ago. He said that [] used to be around the []

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[] He recalled that [] in about June of 1957, had a deal whereby this [] was [] It was supposed to be closed at about the time []

[] When asked to be more specific, [] said []

[] He stated that this is the only information he has

and that his source was [redacted] who stated to him over a year ago that [redacted]

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[redacted] said that he knows [redacted] well and last saw him about March 8, 1958, when he was last in Miami, Florida. At that time he stayed at the [redacted]. He stated that to his knowledge [redacted] is not mixed up with any Haitian or Cuban revolutionary activities or the obtaining of arms and/or other munitions and never suspected any such thing. He said that such a thought never entered his head until [redacted] showed him the group of photographs, including that of [redacted]. He said that in furnishing the photographs to him, [redacted] had indicated that they were of men possibly implicated in obtaining arms for Cuban and Haitian revolutionaries. [redacted] said he did not know where [redacted] had obtained the photographs, but when he obtained them they were in an envelope marked [redacted]. He had no current information indicative of illicit activities on the part of any of the Negro Deputies. In going over the list of the names provided by both Captain [redacted] the Federal Bureau of Investigation, [redacted] stated that [redacted]

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[redacted] in Miami, and frequently goes to Haiti. He said that [redacted]

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[redacted] He said that he recognized several of the individuals as Negro police officers in Miami, but that [redacted] are the three he knows best. He said that [redacted] were known to him from Miami, and he believes he first met [redacted] while both were in Haiti. He said he was very definite that [redacted]

[redacted] continued that [redacted] stayed in the [redacted]

[redacted] in Miami.

He said that [redacted] lived in the [redacted] with some girl, and also believes he has a home in Miami. He said that [redacted] has a girlfriend that lives in [redacted] who visited [redacted] and [redacted]

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[redacted] This girl, who is supposed to be wealthy, is also allegedly [redacted] said he doesn't know [redacted], although he believes he met [redacted] and [redacted] in Miami, where he believes they are uniform men. He was rather vague concerning these individuals. He further reported that he showed photographs of these Negroes to [redacted] who indicated to him that most of them were his friends.

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[redacted] advised that one [redacted] of Miami, Florida, was in Port au Prince, Haiti, on two occasions. He stated that about

a month ago he gave to [] a copy of an old report he had concerning [] which dated back to the time when []

[] He stated that [] talked to []

He told [] that he could sell him arms of the highest quality, and after his conference [] instructed [] to keep surveillance over [] said that details of his investigation of [] are contained in the report which he gave to [] He did recall that [] while in Port au Prince, contacted []

[] It was believed by [] that [] He also said that [] had also been in contact with []

[] and the writer contacted [] in Nassau, to see if [] had given him a copy of the report concerning [] Same was not available, but [] advised that he was cabling Port au Prince to get the dates of the two visits by [] to Port au Prince and information which would aid in identifying him in Miami.

Further information was related by [] to the effect that []

[] He was unable to furnish any specific data as to his exact location. He stated that [] had told him that he had been treated badly in Haiti, particularly since he claimed to have helped [] He stated that it was [] and permitted him to get out of Haiti. [] and his group are []

[] He was questioned for further specifics concerning this, but had no logical explanations. He stated that one [] in Nassau and stated that he believes he is well known to [] who could give further details concerning him. He also stated that [] had a sweetheart who stayed with him at the [] in Nassau, Bahamas, and that she made many contacts for him. He was unable to furnish the identity of the girl.

[] stated that a Cuban associate of [] who he could not identify, had indicated to him that [] was negotiating to get arms from one [] He had no details to substantiate this information.

[] indicated that [] He said that [] It was related by []

[redacted] In further discussing the general Haitian situation, [redacted] stated that [redacted] was connected with narcotics activity in Haiti. As was indicated, [redacted] information was loose and unconnected and had very little information and facts by which it could be investigated and corroborated. Continuing concerning narcotics activity, he stated that one [redacted] was deported from the United States in 1951 or 1952 and stated that [redacted] had invented some [redacted]

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[redacted] he said, [redacted] He said that he left Cape Haiten in Haiti and is now believed to be in the United States. Again [redacted] had no reason for his belief that this apparent undesirable is in this country.

Since it had been indicated by Major [redacted] that [redacted] was friendly with [redacted], he was questioned concerning this individual and stated that he regarded [redacted] as a friend. He pointed out, however, that [redacted] had swindled the Haitian government and that [redacted] used to do a lot of smuggling into Haiti. He stated that [redacted]

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[redacted] is [redacted] Again no specifics were furnished.

[redacted] advised that one [redacted] who he believes is currently living in Miami. [redacted]

according to [redacted] He said that [redacted] was the individual who set off a bomb in the Champs de Deputy in February or March, 1957. He stated that explosion was on the exposition grounds and was during the period after MAGLOIRE was in office and before DUVALOIR was elected. It was alleged by [redacted] that [redacted] is a 100% partisan of ~~DUVALOIR~~ and possibly even a relative of [redacted] he advised, owns [redacted]

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[redacted] in discussing general conditions in Haiti, commented that in his opinion the Army officers who were most active in the revolution of May 24, 1957, are still in the Army. In his opinion, these officers who he considers top revolutionists are [redacted] who he alleged was a key man in that revolt;

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ONE [redacted] It was stated by [redacted] that one [redacted] is a [redacted] who [redacted] He is believed to be from [redacted] and [redacted] According to [redacted] money on many occasions and there is some kind of tie-up between [redacted]

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them. No details were furnished by [] who did indicate that this might have been the boat alleged to have been in the vicinity of Bimini and Gunn Key, Bahamas, with munitions about May 1, 1958.

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[] furnished other information not related to the Haitian revolt but concerning a murder in Chicago, Illinois, on March 31, 1957, of one LEON MARCUS of that city. It is the writer's recollection that such a murder did occur and that []

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[] was picked up and questioned at the time, indicating that it was a gang killing. [] named as a suspect in this murder one []

[] He alleged that the murder of MARCUS was connected with the activi-

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[] disposal plant, flood control, and construction of a casino in that country. [] according to []

[] alleged that [] who he says is a [] having done time in [] Other associates of the group, according to []

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[] The local telephone directory indicates that [] does income tax preparation; [] who is believed to have a criminal record in New York City, is now, according to [] living in Haiti. [] according to the informant, is also alleged to be a []

It was claimed by [] that MARCUS was the finance man for [] and that the enterprise with which they were involved was a multi-million dollar deal. Money was allegedly misappropriated and MARCUS was killed in connection with an alleged settlement. Details concerning the above information were furnished by letter dated October 13, 1958, to PATRICK J. DEELEY, Chief of Detectives of the Chicago Police Department.

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[] United States Embassy, Nassau, Bahamas, advised that immigrant visas were issued on October 22, 1957, by the American Consul at Nassau to []

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[] These visas were obtained through the assistance of Attorney [] of Miami, Florida. [] stated that it can be definitely stated that [] were in Nassau as of October 22, 1957, but that he has no personal knowledge that they were as of a later date. He did state that

a Catholic Priest, [redacted] who was recently transferred from the Bahamas to Haiti, stated that PASQUET and DOMINIQUE were in Nassau for two or three days in late June or early July of 1958. He stated that [redacted] was very well known among the Haitian population and could very readily have learned of the presence of these two Haitian revolutionaries had they actually been there. He advised that [redacted] is now in Haiti, having been transferred to the L'Eglise de Sainte Anne, Port au Prince. He stated that if contacted by a representative of the American Embassy at Port au Prince, [redacted] might be able to furnish more details and specific information as to why he believes PASQUET and DOMINIQUE were in Nassau in June or July of this year.

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Continued
It was learned from [redacted] that the wife of former Haitian Consul in Nassau, [redacted] is CATHERINE BENOIT. She was born CATHERINE INGRAO at Vittoria, Italy, on April 28, 1914, and was naturalized through her father in 1927. The American Embassy records in Nassau indicated that she has a son, [redacted] so she was apparently married to a man by this name. Her name immediately prior to her marriage to BENOIT was CATHERINE MORCEAU, and she resided at 2106 Rodman Street, Hollywood, Florida.

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On page 108 of the previous report, information was set forth concerning [redacted]

[redacted] Information as furnished by [redacted] concerning [redacted] is also set forth above. It was learned on October 10, 1958, that former Federal Bureau of Investigation Agent [redacted] was requested to determine the general reputation and background of [redacted]. The request originated with [redacted] and several other individuals connected with a Milwaukee, Wisconsin, construction company. [redacted] allegedly was approached by [redacted] to construct a water system in Port au Prince, Haiti. He claimed to be a Mexico City resident, and also to be in business in Palm Springs, California, and Havana, Cuba, and to have an interest or connection with the Hotel Nacional at the latter place. [redacted] he is related to [redacted] and claimed to [redacted]

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[redacted] contractor commissioned by the President of Haiti and Haitian Minister of Finance to construct a water system in Port au Prince. It was learned that [redacted] frequently stays in the penthouse at the Hotel McAllister, Miami, Florida, and claims that his residence is Mexico City. He has a brother who is believed to be associated with [redacted] and other members of the Cleveland gambling syndicate in the operation of the casino at the Hotel Nacional, Havana.

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On October 15, 1958, the confidential source of information from Havana, Cuba, who as related on page 108 of the previous

report, stated that a [redacted]

[redacted]
[redacted] The informant said that he
had been informed that [redacted]

[redacted]
[redacted] When he originally furnished
the information concerning the alleged [redacted] this
source stated that he would endeavor to obtain more specific details
and particularly try to identify [redacted]

[redacted] He stated, [redacted]
[redacted] further ask
questions concerning the [redacted] This
source stated that there were [redacted]

[redacted]
[redacted]
[redacted]
activities. The source stated that they indicated that they would
[redacted]
[redacted]

This informant was advised that no representative of the United
States government would consider such a scheme, as it sounded like
a "shake-down," and that the underworld characters who perpetrated
such a deal would also necessarily have to be arrested for Conspir-
acy. The informant was advised that the original agreement with
him that his identity would not be revealed to anyone would be
honored by the writer, but that no consideration of such action
as he suggested would be entertained.

A source of information believed reliable and who requested that
his identity be kept confidential as he had no specific details
advised that he has heard in the Miami area that [redacted]

[redacted]
[redacted] It should be noted that as reflected
[redacted]
book in the residence of the widows of [redacted]
[redacted] the name and phone number of [redacted]
This is an unlisted telephone number of [redacted]
[redacted] of which [redacted] is

[redacted]
On the bottom of page 95 are listed the name and telephone number of [redacted] and the additional phone numbers [redacted]. These were found in the address book of [redacted] is listed to [redacted] Miami, Florida; [redacted] is listed to the [redacted] is listed to [redacted] Miami Shores, Florida.

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From a reliable confidential source it was learned that on July 29, 1958, the date of the Haitian revolution, [redacted]

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[redacted] It is noted that this is in the same general neighborhood where [redacted] but there is no specific indication that [redacted] are in any way connected. The records of the Credit Bureau of Greater Miami indicate that [redacted] This business is described by the Credit Bureau as a reputable firm dealing in [redacted]

The name and phone number [redacted] were, as indicated on [redacted] in the address book of HENRY PERPIGNAND after he was killed in the Haitian revolution. As indicated above, [redacted] is the telephone of [redacted] and apparently this is the same number.

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On pages 118 and 119 of the previous report, information is related concerning the dock of the Pinellas Fish Company at Marathon, Florida, which is where the office of the Zapata Off-Shore Company of Houston, Texas, is located. At this location there is kept a helicopter of this company, which is a subsidiary of the Hughes Tool Company of Houston, Texas. Representatives of [redacted]

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The Hialeah-Miami Springs Journal for Thursday, September 25, 1958, carried an article indicating that Italian greyhounds, a midget

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breed, will race in the stadium at Port au Prince, Haiti, beginning September 25, 1958. The article indicated that four years ago [redacted]

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[redacted] is the individual who has been mentioned in previous reports as the individual who was associated with various Haitians in the Miami area, and with [redacted]

On September 25, 1958, a source of information believed reliable who requested that his identity remain confidential, stated that he was told that [redacted]

[redacted] He said that while he could not identify him, he learned that the lawyer is from Key West, Florida, and is reported to [redacted] Through sources in [redacted]

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It was learned from a highly reliable confidential informant that [redacted]

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This informant said that [redacted]

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[REDACTED]

[REDACTED] He stated that he first heard of the Haiti matter some time about April, 1958, when [REDACTED] asked him if he would be interested [REDACTED] told him that [REDACTED]

[REDACTED]

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[REDACTED] He stated that he never discussed this matter with anyone other than [REDACTED] and that he has been told [REDACTED] that they had said nothing of the matter until after the investigation by Sgt. [REDACTED] was instituted.

He stated that Investigator [REDACTED] of the Sheriff's Office and [REDACTED] of the Sheriff's Office were both very friendly with [REDACTED] He stated that [REDACTED] returned from his vacation [REDACTED]

[REDACTED]

[REDACTED] He stated that in his opinion [REDACTED] must have told [REDACTED] that [REDACTED]

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[REDACTED] When questioned concerning other activities [REDACTED] stated that one KENNETH LEATHERS formerly worked for the City of Miami as a policeman and is believed to have been dishonorably discharged from the service, for moral turpitude, and is [REDACTED] He recalled that some time ago, specific date unknown, [REDACTED]

[REDACTED]

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After an anonymous letter was received by [REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED] It was further reported that one [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The incident concerning the three trips to Nassau allegedly taken by [REDACTED] RALPH ASHBURN, [REDACTED] PAUL MILANE, and Lt. EARL OWENS is obviously the same incident set forth above in detail.

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Recently [REDACTED] was fired from the Dade County Department of Public Safety. He reportedly was [REDACTED]

It was learned that some time in September, 1958, a complaint was received by the Dade County Department of Public Safety from [REDACTED]

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[REDACTED]

[REDACTED]

It was further reported that when he heard that [REDACTED] had an

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[REDACTED]

10/3/94 [REDACTED] JPD
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was further alleged that [redacted]
[redacted]
[redacted]

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Further information was obtained that there are rumors to the effect that [redacted]
[redacted] *FL*

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[redacted] is in trouble [redacted] it was alleged that he [redacted]
[redacted]

KENNETH HEWES LEATHERS, who is employed as a juvenile officer in the Dade County Department of Public Safety, reportedly is 51 years of age, having been born July 19, 1907 at Somerville, Massachusetts. He is married, [redacted]

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The records of the Broward County Sheriff's Office, Ft. Lauderdale, Florida, show that LEATHERS was employed by the United States Immigration and Naturalization Service from 1942 to 1943 as an inspector at Ft. Kent, Maine. In 1952 he was with the Miami Police Department and from '52 to '55 was with the Dade County Sheriff's Office. He was employed from 1955 by the Broward County Sheriff's Office until he returned to his present employment with the Dade County Department of Public Safety. In his application file in Broward County, LEATHERS indicated that he was in the tourist business at Spring Valley Lane at Kennebunk Port, Maine. He lived at 3191 S. W. 27th Lane, Miami, while he was a Patrolman with the Miami Police Department and at 1804 S. W. 4th Street and 690 N. W. 99th Street, Miami, Florida, while he was employed as a Dade Deputy. While he was with the Broward County Sheriff's Office he resided at 517 N. E. 23rd Street in Wilton Manor, Ft. Lauderdale, Florida. He stated that he was a registered voter in Broward County and owned his home and car. He said that he had been arrested, date not named, in Miami Shores, Florida, for running a red light but had not been fingerprinted. It was indicated that he had worked for Goodal-Sanford, Inc., Sanford, Maine, as an Assistant Labor Relations Director and doing personnel management. He claimed to be a graduate of the University of Maine, Orono, receiving an A.B. degree in psychology. LEATHERS also said that he has had advanced courses in psychology and business management at the University of New Hampshire, Durham, New Hampshire. In addition, LEATHERS, in his application, said that he had two years of law school at the University of Miami in Coral Gables, Florida, and was a graduate of the Florida Police Academy, Miami Springs, Florida. He stated that he was a veteran of World War II, having served in the United States

Navy. He gave as references [redacted]

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[redacted] LEATHERS was fingerprinted at the Broward County Sheriff's Office in April, 1956, and has a fingerprint classification of

L 9 U IIO
25 M I R OIO 16. At that time no record for him was on file at the Federal Bureau of Investigation Identification Division, Washington, D. C.

It was believed by [redacted]

[redacted] Ft. Lauderdale, Florida, that LEATHERS got his job with [redacted]

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and LEATHERS' appointment was not renewed. He advised that the reason for this was that there were rumors prevailing to the effect that LEATHERS [redacted]

[redacted] LEATHERS for this reason, but that an [redacted] intimated that LEATHERS had made propositions to him of a homosexual nature.

A rumor prevails in the Courthouse in Dade County that LEATHERS was [redacted] and that information concerning this appears in his personnel file. This has not as yet been checked.

Information has been received that one [redacted] who a year or two ago was involved in a case concerning [redacted]

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[redacted] It is believed that [redacted] is at this time the subject of a case now pending in the State Attorney's Office. It has further been alleged that [redacted]

It is set forth on page 119 of the previous report that [redacted]

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[redacted] said that one [redacted] might know something about the [redacted]

[redacted] Florida, telephonically advised that [redacted]

On page 95 of the previous report there is listed the name [redacted]
[redacted] This was an entry in the address book of
PHILLIPE DOMINQUE found by Haitian authorities after he was
killed. On November 15, 1957, in connection with another matter,
the writer was handling not in any way connected with revolutionary
activities, a reliable confidential source indicated that one
[redacted] was a United States [redacted]
At that time the informant said his phone number in [redacted]

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[redacted] The informant also stated at that time
that one [redacted] was
an influential hoodlum active in Haiti in past years. It would
appear that the informant possibly had reference to [redacted]
who was mentioned earlier in this report in connection with the
LEON MARCUS murder case in Chicago. He probably also had reference
[redacted]

[redacted] is listed to [redacted]
[redacted] Miami,
Florida. The records of the Credit Bureau of Greater Miami indicate
that [redacted]

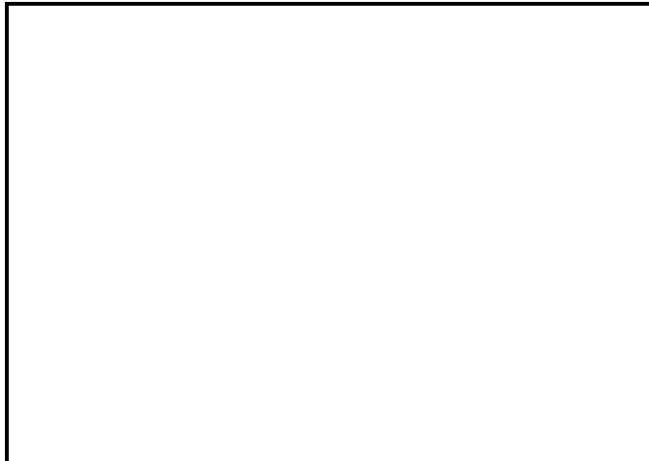
b6
b7C

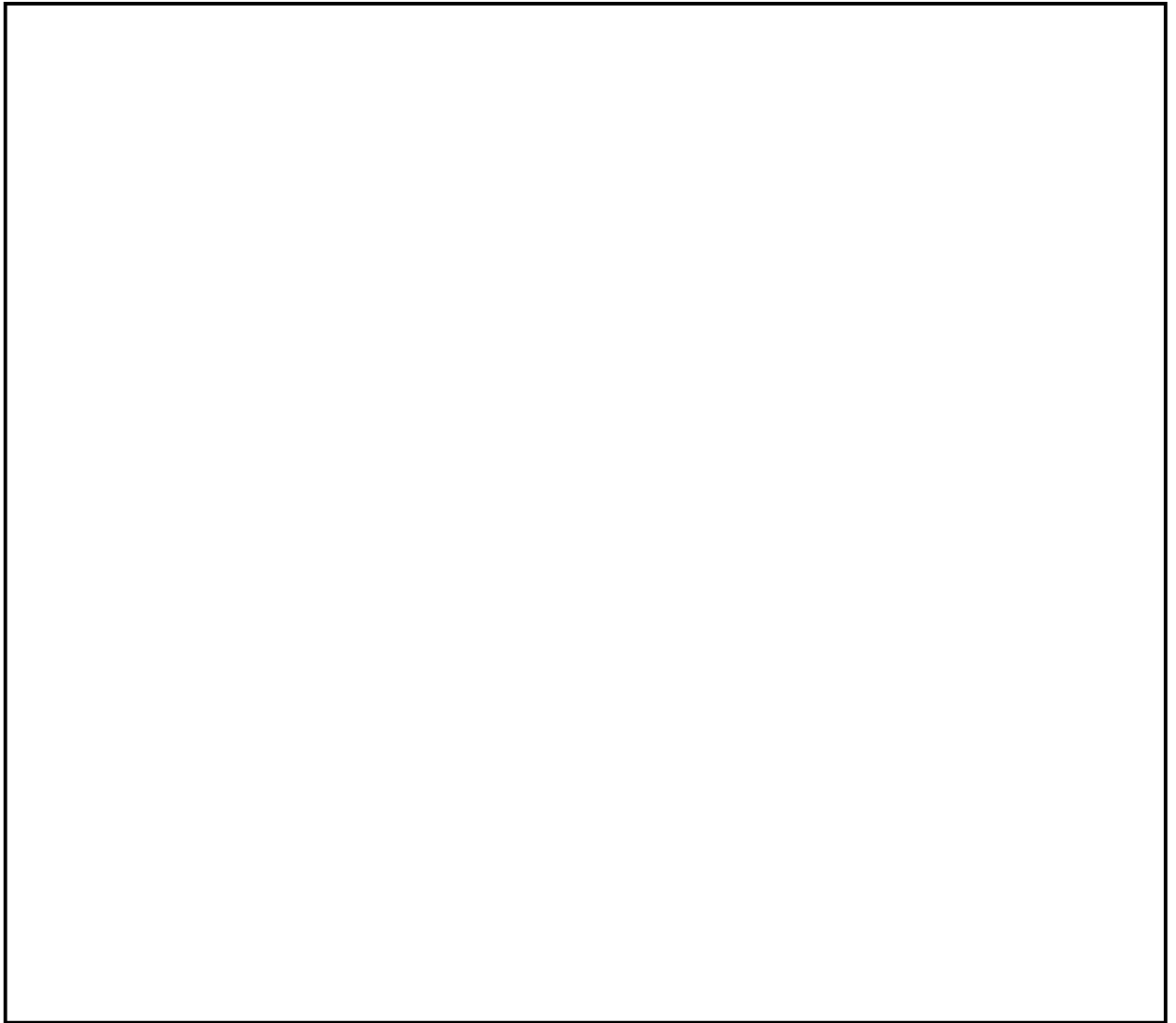
On October 6, 1958, [redacted]
made available to the writer a photostatic copy of a code which is
referred to on pages 72 and 73 of the initial report. This code
was forwarded to the writer from Port au Prince by [redacted]

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[redacted]
of clothing of PHILLIPE DOMINQUE which [redacted]
This code is quoted as follows and is in French:

b7D





On the bottom of this sheet of typewritten paper on which the code appears is the following in handwriting:



All



Records Inc.



The reverse side of the paper on which this code is typed has a sketch showing the



A duplicate typewritten sheet of this same

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b7D

[redacted]
[redacted]
[redacted] On the bottom of
this particular sheet there is handprinted the following:

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[redacted]
Records, Inc., 1815 North Hibiscus Drive, North Miami"

Also furnished by [redacted] was a photograph of a page from the log
book of the [redacted] This page is quoted as follows:

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"July 25 am

[redacted]

b6
b7C
b7D

[redacted]

[redacted]

[redacted]

This log book was personally examined by the writer aboard the
[redacted] Haiti, but no other entires other
than those appearing on the above page were noted. Another
photograph of a page of the log book was also forwarded by [redacted]
[redacted] This page contained the following names and phone num-
bers:

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[redacted]

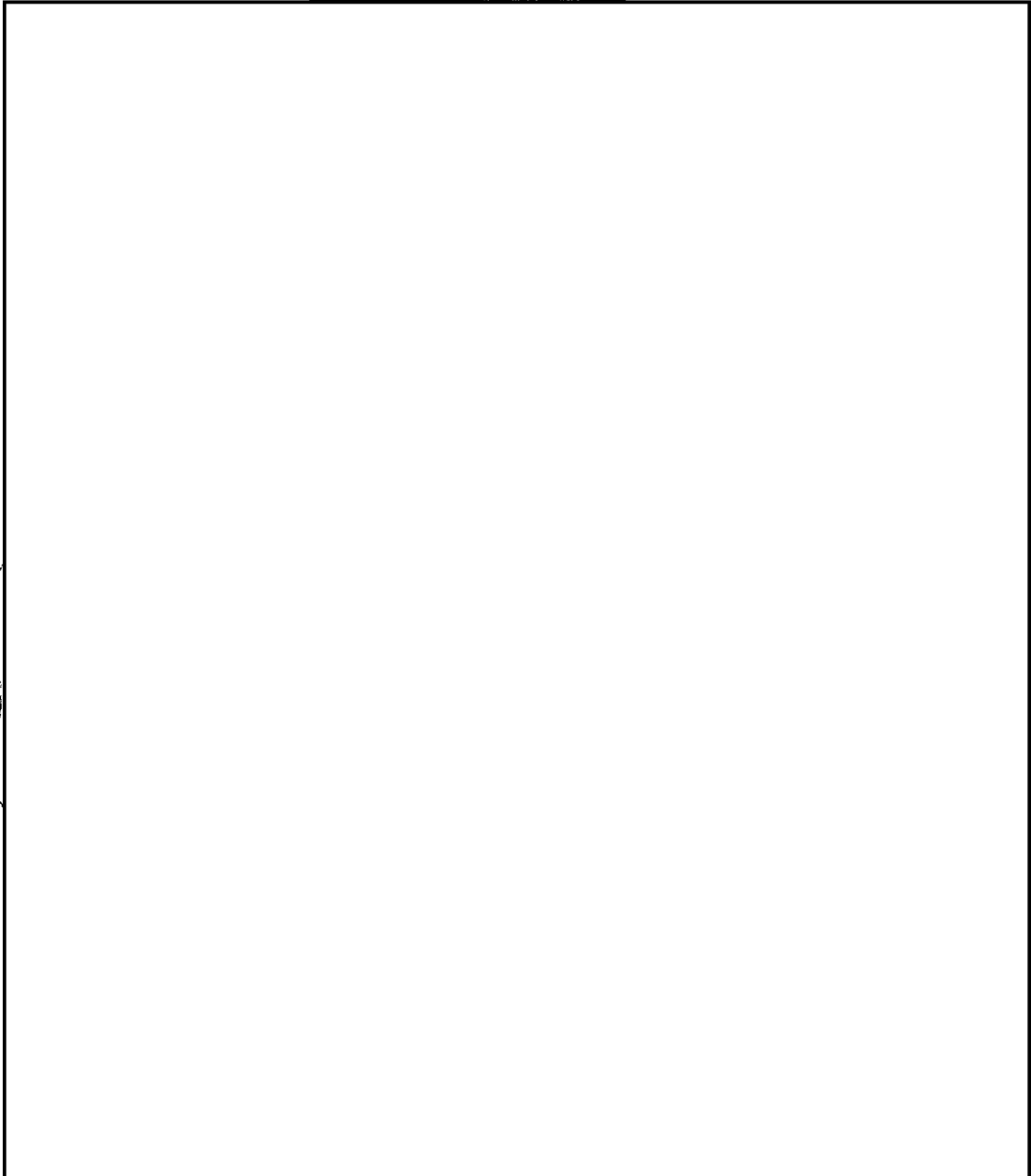
[redacted]

[redacted]

Also furnished by [] was a copy of a three-page typewritten report labeled "~~Confidential~~ Report." After this was read, [] was asked its source and stated that it had been given to him in Haiti for transmittal to the writer. This report, however, which is quoted below, is believed to be one made by [] and [] Miami private detectives.

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"CONFIDENTIAL REPORT"



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2-26-78 JSE/glf
Re: Joseph Marelo
1-20-78

1616 COURTHOUSE
MIAMI 32, FLORIDA
FRANKLIN 7-1911

OFFICE OF COUNTY MANAGER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6-1-95 BY [redacted] (JFK)

October 23, 1958

Mr. J. Edgar Hoover, Director
Federal Bureau of Investigation
United States Department of Justice
Ninth Street and Pennsylvania Avenue
Washington, D. C.

Re: [redacted] PAUL MILANE;
RALPH V. ASHBURN; EARL OWENS; ERNEST SISTRUNK;
[redacted] WILLIAM C. HART; Registration
Act; Neutrality Act.

Dear Mr. Hoover:

Enclosed herewith are pages 121 through 164 of the report of Metro Special Investigator [redacted] relative to the Haitian revolution of July 29, 1958, in which members of our Department of Public Safety were involved. These pages supplement previous reports, copies of which were furnished to your Special Agent in Charge at Miami on September 24 and October 1, 1958.

Your attention is directed to the facts on pages 121 to 138 and paragraph two of page 154 of the enclosed report which [redacted] a former F.B.I. agent, advises me indicates a possible violation of the Foreign Agents Registration Act and/or the Neutrality Act. Administrative action, which undoubtedly will result in publicity, is being taken by me as to [redacted]

[redacted]

PAUL MILANE, Phoenix, Arizona P.D. #2687178 was recently dismissed from his position as a Road Patrolman with the Department of Public Safety; [redacted] and RALPH ASHBURN has not worked for the Department since February 3, 1958. Since none of the subjects except [redacted] are Metro employees no further investigation is being conducted as this appears to be a Federal matter.

For your information ASHBURN was the only person on the Dade County payroll, other than [redacted] at the time the trips were taken to Nassau, Bahamas. ASHBURN was employed July 17, 1956, by [redacted] as a Temporary Senior Court officer and there are no leave slips in his personnel file indicating he was off duty on any days during July 1956.

ENCLOSURE
REC-14

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